



THE INDEPENDENT

SERIALS
DIVISION

No 3,356

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WEATHER: Very warm, thundery showers (ER 45p) 40p

IN THE TABLOID

**BLAIR'S NEW
PARTY
ANIMALS**



IN THE TABLOID

**VITAMIN B6:
A FOOD OR
A DRUG?**



IN THE TABLOID

**THE LOST
SECRET OF DI'S
LAWYER**



Now the mould is breaking

Anthony Bevins
Political Editor

Tony Blair took a historic step to a new, consensual style of British politics yesterday, inviting Paddy Ashdown and other Liberal Democrats to join him on a special Cabinet committee.

Healed by a leading historian as "big time", the decision could help the drive to proportional representation for Commons elections, which some senior politicians believe could crack a brittle Conservative Party.

One well-placed source told *The Independent* the innovation could form a chapter of its own in a future history on "The Strange Death of Conservative Britain".

While the new consultative Cabinet falls short of coalition or pact, it will give the Liberal Democrats a unique chance to make a formal, closed-door contribution to legislation across a broad range of policy. It is the more significant because Mr Blair has a Commons majority of 180.

Diehard traditionalists in both par-

ties were last night hostile to the move, but Mr Ashdown said it could contribute towards a more "rational, mature and civilised style of politics... the real beginning of a different style from which we all benefit".

The decision ends a process of discussion that has been going on since before the election. It was raised by the Prime Minister at his first Cabinet meeting in May and discussions have been taking place between Mr Blair and Mr Ashdown ever since, including talks en route from the Hong Kong handover.

The fact that the secret was kept says much for the trust that exists between the two leaders. Mr Blair will chair the committee and there will be a "heavy-weight" membership, though there was uncertainty last night as to whether

Welsh rebellion

The Government faced its first serious backbench rebellion last night when Ron Davies, the Secretary of State for Wales, introduced the White Paper on Welsh devolution. The proposals would lead to an assembly with no tax-raising powers.

Anger at broken pledge, page 6

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Andrew Marr, page 15

to Ian Paisley, leader of the hard-line Democratic Unionist Party, who emerged from a meeting with Mr Blair at Downing Street declaring the peace document "dead" and accusing the Government of an "Isarcian act of betrayal" over its plans for disarming the IRA.

Although the result will be seen as a setback for the peace process, the Government yesterday made clear its determination that negotiations on Northern Ireland's future should nonetheless open as scheduled on 15 September.

The exact format of those talks is not however clear. Rejection of the two governments' joint position on de-commissioning will pose important technical and philosophical questions in that the multi-party talks, as presently structured, are supposed to rely on "sufficient consensus" within both

communities to proceed. Since the three rejectionist parties led by Mr Trimble, Mr Paisley and Robert McCartney together won 39 per cent of the Unionist vote in last year's pre-talks elections, there will clearly be no basis for arguing that there is Unionist agreement for anything the present talks come up with.

This means that the Government will have to come up with a new formula for talks in readiness for the 15 September starting date. In doing so it will be mindful of indications that the state of Protestant opinion may not be accurately reflected in the electoral arithmetic.

Mr Paisley's withdrawal was attacked by David Ervine, of the Progressive Unionist party, which has paramilitary associations. He exclaimed: "These people are running away when they're most needed."

That was in marked contrast

David McKittrick
Ireland Correspondent
Colin Brown
Chief Political Correspondent

Amid signs of divided opinions within the Protestant population, the three main Unionist parties are today expected to reject the terms for wide-ranging talks laid down by the British and Irish governments.

It became clear yesterday in a brief ten-minute telephone call from Mr Blair to David Trimble, the Ulster Unionist leader, in Belfast that the Ulster Unionists would vote down the plans but they would not walk away from the peace process.

Mr Trimble said: "The fact that we had a difficulty and not the target date is no excuse for people to walk away from the process."

Doctors backed

Doctors were right to deny a liver transplant to a girl of 15 who had taken the drug ecstasy, a judge ruled. Her relatives said the decision was moral, not medical.

Page 3

THE BROADSHEET
Business & City 16-20
Comment 13-15
Foreign News 8-10
Gazette 11
Home News 2-7
CONTENTS

Isaacs gets long run for his money at the opera

David Lisicki
Arts News Editor

Sir Jeremy Isaacs, who left his post as general director of the Royal Opera House in January, is still being paid his £120,000 a year salary out of public funds.

A monthly salary cheque of around £10,000 will continue to be paid to Sir Jeremy until September under the terms of his



In receipt: Sir Jeremy Isaacs

contract with the opera house.

The payments to Sir Jeremy are certain to be raised tomorrow by MPs when they quiz him at a select committee investigating the Royal Opera House.

Ironically, Sir Jeremy's successor Genista McIntosh, who departed in May due to ill health, after five months in the post, is being paid her salary for her three-month notice period.

So the Royal Opera House is paying

two heads of the institution, neither of whom is in post.

To add to the irony, Mary Allen, who was appointed to take over from Ms McIntosh as chief executive in June, is not being paid anything. She has been advised by Lord Chadlington, chairman of the opera house board, not to start drawing salary until September as a suitable gap had to pass between her starting at the opera house and leaving her position as secretary general.

of the Arts Council, which gave the opera house £78m of National Lottery money.

Since January, Sir Jeremy has formed his own television production company and has been employed by Ted Turner, the American television millionaire, to make a series on the Cold War. Mr Turner has also paid Sir Jeremy a fee for his work, also understood to be well over £100,000.

All Royal Opera House contracts have now been changed by Lord Chadlington so that no one can again receive salary nearly nine months after they have left. Sir Jeremy's was the last of the fixed term contracts.

Sir Jeremy said last night: "I had a contract until the end of September and it is being paid out. If you pay a chap out and bring someone else in then there's bound to be an overlap."

Leading article, page 13

Games 18
Listings 16-17
Money 12-14
Radio & TV 19-20
Theatre 6-7
Weather 18



Memorial: The Princess of Wales, Elton John and (right) his partner, David Furnish, at the service for Versace in Milan yesterday

Photographs: Luca Bruno/AP

No safety pins: just lace and tears

by Andrew Gumbel



For the few, genuine friends of Gianni Versace, it was a moment of profound emotion played out as discreetly as possible away from the hordes of photographers and television crews.

For the hordes of invitees who flocked to the Duomo in the centre of Milan for yesterday's memorial service, not to mention the crowds of bystanders who pressed against the security fences in eager anticipation, it looked like just another fashion show, a great excuse for celebrity-spotting under a blazing Italian sun.

Was it true that Madonna had booked a room at the Four Seasons next to Princess Diana? Was Tina Turner really going to start jamming with Sting and Elton John? And – the most pressing question of all – what was everybody going to wear?

It was hard to tell if Milan, capital of Italian style, was in mourning or had merely transformed itself into a giant film set. The "close friends" invited to the service in the Duomo – around 400, all told, most of them fashion industry contacts rather than personal acquaintances – received hastily-printed invitations with numbers scrawled on the back and finely calligraphed writing on the envelope, just as they might to a last-minute Ver-

sace show. Every arrangement from the guest list to the designer-studded dinner arranged at the Via del Gesù, was kept a mystery until the last minute.

No doubt, security was the main concern, but it gave the whole day an air of surreal improvisation – rather like the artistic genius that drove Gianni Versace himself as he flitted on the very borders of bad taste with his spring and autumn collections.

The genuine mourners looked for once as though standing was a burden they could do without. Naomi Campbell, the lithe frame on whom Versace hung his creations at show after show, could barely walk from her car to the family mansion. Once inside, she was shepherded away by Samo and Donatella, Gianni's brother and sister, and did not re-emerge until it was time to head for the Duomo.

Elton John, accompanied by his companion, David Furnish, stood for full 15 minutes in front of the star set up for his murdered friend before breaking down. He was later comforted in the cathedral by Diana, Princess of Wales, when

he again broke down in tears. Away from the autograph hunters, the paparazzi, the security guards, the public relations minders, the police and the simply curious, the room where Gianni Versace's ashes were on display was a real haven of peace. The golden box containing the ashes was displayed on a lace cover along with a golden crucifix and a copy of Versace's book, *No Disturb*, featuring Helmut Newton's famous black-and-white photograph of the designer on the cover.

Outside, the gossip was all centred on the obvious – the clothes. Naomi Campbell had been wearing a simple black dress; Princess Diana, who flew in on Elton John's plane from Cannes, was in a knee-length dark suit and pearls. But this was not an occasion for flashiness, and anyone hoping for a reprise of Liz Hurley's infamous safety pin dress were to be disappointed.

The memorial service, presided by the dean of Milan's Duomo, Angelo Mai, attempted to bring home the religious significance of Gianni Versace's violent death. But with the crowds surging at the doors, and the congregation stuffed with the most unlikely of church-goers, it was only a brief moment of reflection before the cameras started rolling and the flashes started popping all over again.

WHERE TO ACQUIRE A TASTE FOR OYSTERS

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The seamless Oyster shell of a Rolex chronometer is hewn from a single block of stainless steel, 18ct. gold or platinum. Within it lies a self-winding movement that has taken over a year to create. With prices starting at £1,400, the Oyster you always promised yourself is available from the Harrods Watch Department on the Ground Floor.

Not, we might add, from the Food Hall.

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*Watch shown available in 18ct yellow gold priced £10,430,
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Unionists set to reject terms for peace talks

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THE BROADSHEET
Business & City 16-20
Comment 13-15
Foreign News 8-10
Gazette 11
Home News 2-7
CONTENTS

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INSIDE 30

news

significant shorts

Treacherous waters kill six as sun tempts bathers

Six people, four of them children, have drowned after being tempted into treacherous waters by Britain's outbreak of sunny weather, police said yesterday.

Safety officials are issuing urgent warnings that no matter how tempting rivers and streams may appear, water temperatures can be very low and paddling and swimming are "just not worth the risk". Victims of the succession of tragedies nationwide included two girls having an eighth-birthday riverside party. The bodies of Charlea Fox and her best friend Jasmine Neville, also eight, were found by police divers on Monday night, three hours after they were last seen playing on the banks of the River Wharfe in Otley, Leeds. It was the same river where Russell Hardacre, 31, from Bradford, drowned the day before a few miles upstream. Mr Hardacre, who had two children, died after diving into the water to cool off. It also emerged yesterday that Charles Rooke, the seven-year-old son of Giles Rooke, a Crown Court judge from Bridge, near Canterbury, had drowned in a neighbour's swimming pool. John MacDonald, 14, from Glasgow, also died on Monday after getting into difficulties in the River Leven in Balloch, Scotland. Colin Clark, 24, of Little Eddieston, Drumoak, also drowned - in the River Dee near Banchory, Scotland, on Monday night while swimming with friends.

Baby critical after canal crash

A six-month-old baby was in hospital yesterday with head injuries after his mother drove her car into a canal to avoid a head-on crash. Police said the baby boy was in a "stable" condition at Leicester Royal Infirmary after the blue Ford Escort skidded through metal barriers into water four-foot deep, near a canal bridge in Leicester yesterday.

The Escort swerved onto the pavement when the driver tried to avoid a head-on collision with a car which was on the wrong side of the road travelling in the opposite direction. Sergeant Mark Barley, of Leicester traffic police, said: "The Escort was carrying a mother and her two children and a friend and her two children... the baby boy was detained [in hospital] with critical head injuries. The other car involved failed to stop and police were appealing for witnesses."

Monster movie makes millions

The Lost World has soared straight to the top of the UK box office chart after a hugely successful opening - but it has beaten last summer's epic *Independence Day*.

Despite being hampered by a parental guidance certificate, which states some scenes may be unsuitable for children under eight, Steven Spielberg's £48m sequel to *Jurassic Park* scooped a £5.66m opening weekend gross. *Independence Day*, which also starred Jeff Goldblum, took about £7m in its first three days of release last August. *The Lost*

World sold out many cinemas across Britain and has snapped up 73 per cent of business for the weekend. *Jurassic Park* opened in 1993 with a gross of £4.87m and went on to earn £56.2m worldwide.

Men held over curry-delivery killing

Six men were arrested yesterday by detectives investigating the killing of a man stabbed to death on 21 May as he delivered a curry outside the Solicitor General's home in north London.

The arrests came after searches of two properties in east London and Birmingham. All the arrests were made in east London. Abdul Samad, 25, died from stab wounds after apparently being lured to a street in Islington, north London, by a bogus curry order from a public telephone box. The six men, aged between 25 and 40, were arrested on suspicion of murder and were being questioned at two north London police stations.

Boy, 4, saves grandmother's life

A grandmother yesterday told how her four-year-old grandson saved her life by climbing 20 feet up a steep cliff to get help after a car they were travelling in holiday plunged off the side of a road.

Lyn Malooley, 50, was driving Ryan Woods from the beach back to the villa their family had rented in Portugal, when an insect flew in and disturbed her. The car swerved off the narrow mountain road and plunged 20 feet down a cliff before its slide was halted by a bush. The vehicle was balanced almost upside down, with the ground 25 feet below, and the engine still running. Mrs Malooley did not move in case she toppled the vehicle over, so asked Ryan to climb up the cliff to the front where he switched off the ignition. He then scrambled out of the car and fought his way through thick brambles to the top to bring help. Mrs Malooley said: "He's a little hero."

THE INDEPENDENT ABROAD

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Denmark ... DM18	Norway ... Nkr20
Iraq ... £5.00	Portugal ... £A5.00
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Vincent Hanna dies of heart attack, aged 57

Vincent Hanna, the radio and television presenter, died in Belfast hospital yesterday after suffering a massive heart attack on Monday night.

By a tragic coincidence Mr Hanna's father-in-law Lord Fitt, former leader of the SDLP, suffered chest pains while visiting Mr Hanna at Belfast's Royal Victoria Hospital and was admitted to the same unit with a suspected heart attack. Lord Fitt was yesterday described as "comfortable".

Mr Hanna, 57, (pictured) was in Belfast to present Radio Ulster's Talkback programme for the summer.

In an interview with the *Irish News* last Saturday, Mr Hanna denied that he was a workaholic, but friends said he had pursued a punishing work schedule in the run-up to the general election.

As well as being the BBC's best known television by-election presenter, Mr Hanna co-presented Channel 4's *A Week in Politics*. He also travelled to Manchester each week to present Radio 4's



Mediumwave while also presenting Radio Five Live's *After Hours* discussion programme that runs from midnight to 2am.

On top of his freelance contracts with the BBC and Channel 4, Mr Hanna wrote a sports column for the *Guardian* and worked as a consultant to Leeds and Birmingham local councils.

He told the *Irish News*: "A workaholic is someone who's compelled to work... I love what I do and if I cease to like it then I'd stop it. I don't have to work."

He is survived by his wife Joen and two daughters, Emily-Elizabeth, 21, and Siobhan Eileen, 18.

Paul McCann

Obituary, page 77

Hopkins and Foster set for 'Lambs' sequel

Sir Anthony Hopkins and Jodie Foster are set to repeat their Oscar-winning roles in a sequel to *The Silence of the Lambs* - when such a thing is finally written.

Hopkins has said he would not play the cannibalistic killer Hannibal Lecter again because the role was too emotionally draining to repeat. But he has had a change of heart, and Foster said yesterday she would also return as her FBI agent she played in the picture.

The author Thomas Harris, who is working on a follow-up to his novel, has not yet indicated when it will complete it.

Foster revealed that her performance was based on a genuine figure of her British co-star. "He was never fully introduced to me," she said of their first script reading. "He scared me to death. I couldn't really have a conversation with him again."

The two have become firm friends since, and Foster added: "For the nicest guy in the world, it's amazing he could find that demon in himself."

David Lister

Obituary, page 77

CHILD SUPPORT**Agency under fire for errors in maintenance payments**

The controversial Child Support Agency faced more criticism last night after it was revealed 85 per cent of absent parents' maintenance payments contain errors.

In one in six cases the error was for more than £1,000, the National Audit Office said, and Sir John Bourn, head of the NAO, refused to accept the CSA's annual accounts because of the high level of mistakes.

The agency said in its annual report, however, that 87 per cent of cases were accurate to the last penny. It also claimed a 33 per cent increase in the amount of cash collected from absent parents over the last year, with 98 per cent of cash passed to the parent caring for the child within 10 days of receipt.

Sir John estimated that overpayments in 1996-97 amounted to £3.8m, some 1.8 per cent of the £215m collected, and underpayments to £9.4m, some 4.4 per cent of the sum collected.

There was also "a material level of error" in the amounts the agency claimed were owed by absent parents, amounting to £48m in overstatements and £31m in understatements.

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Doctors right to deny girl a transplant



Michelle Paul: Took ecstasy

Jeremy Lawrence

Health Editor

Doctors were right to deny a liver transplant to a 15-year-old girl who had taken the drug ecstasy, a judge ruled yesterday. But Michelle Paul's life might have been saved if she had been given an early test for liver failure.

Giving judgment after an eight-day fatal accident inquiry in Aberdeen, Sheriff Graeme Warner said that doctors at the Edinburgh Royal Infirmary's

liver unit made their decision not to transplant Michelle on medical, not moral, grounds despite claims by the girl's mother and grandmother that she had been rejected because of a family background of drug abuse.

But Sheriff Warner criticised doctors at Aberdeen Royal Infirmary, where Michelle was first admitted, for failing to carry out the routine liver-function test. She was transferred to the Edinburgh unit only when her condition deteriorated and it be-

came obvious she was suffering from liver failure. By then it was too late for a transplant and she died on 27 November 1995 - 23 days after taking half a tablet of ecstasy at a rave near her home.

The case aroused controversy over the grounds on which patients are selected for liver transplant after Michelle's grandmother, Margaret Pirie, compared her grand-daughter's experience with that of the former Rangers and England football player, Jim Baxter, a re-

formed alcoholic who has had two liver transplants. She said doctors had told her the decision had been made on moral grounds because Michelle's mother and sister were drug users and Michelle herself had also lied in drugs. "As I see it, we're just not worth bothering with," she told the court.

But Sheriff Warner said Mrs Pirie and Michelle's mother, Carolanne, were "simply wrong" in their recollection that doctors had told them the transplant was

being refused on moral grounds. He said the case showed how memory could be distorted under stress, saying: "This was perhaps the greatest emotional upset they will ever experience".

Dr Hilary Sanfey, head of the Edinburgh unit at the time of Michelle's death who now works in the United States, told the court Michelle had suffered irreversible brain damage and a transplant, costing £60,000, would not have been appropriate on medical grounds. But

she acknowledged under questioning that behavioural problems had to be taken into account when considering which patients were suitable for transplant. Her decision was challenged by Professor Roger Williams, head of the liver unit at King's College hospital, London, who said the pupils of Michelle's eyes were still reacting on the day before she died, indicating that she had not suffered irreversible brain damage. He said "moralistic inter-

pretations" that appeared to have underlain Dr Sanfey's opinion were "not acceptable for a life-or-death decision on a young person".

The judgment calls for the formation of an expert gathering of the medical profession to discuss the selection of patients for organ transplantation and the drawing up of a code of practice for all transplant centres. It says an inquiry should be held at Aberdeen Royal Infirmary to ensure routine tests are carried out.

Canny kids splash out on food, drink and fashion with £8 in their pocket

Glenda Cooper

Social Affairs Correspondent

Pocket money today is a lucrative affair, with British children spending on average £8.40 a week on food, toys and clothes, according to the first official investigation into how they handle their cash.

The biggest spending was on food, which included sweets, crisps, soft drinks, icecream and school meals which the child bought - accounting for an average £3.20 a week. Next down were leisure goods - toys, CDs and sports goods - which cost £1.60 a week. The third

How they spend it

	Boys	Girls
Food/soft drinks	3.20	3.10
Leisure goods	2.10	1.10
Clothing	0.70	1.50
Leisure services	0.90	0.70
Household goods	0.50	0.60
Personal goods	0.20	0.80
Transport	0.10	0.20
Other	1.20	0.30
TOTAL	8.40	8.50

most popular items inducing children to part with their cash was clothing and shoes.

Other items popular with children included spending money on participating in sport, pets, make-up and fares to school. Thirty pence a week was also spent on "other items" defined as alcohol, tobacco, stamps and subscriptions.

For the first time data on children's spending habits has been collected as part of the Family Expenditure Survey, in which all spending by children was covered.

The children - more than 2,000 in total - were asked to keep diaries of their daily ex-



Liquid assets: Pocket money is now big business, a survey shows, with the nation's children splashing out an average of £8.20 a week on food. Photograph: Andrew Buurman

'Having money makes you feel independent'

Young journalists from *Children's Express* show that exercising their spending power goes far beyond the local sweet shop.

"Money makes you feel independent even if you are not," explained Aminah Carter, 13.

"When you're out shopping and you've got the money in your hands and you're by yourself, you feel independent."

The importance of managing your own money was clearly recognised, and despite advertisers' attempts to tap the youth market, all the children were wary of their influence. "I don't

buy things just for the hell of it. My money goes on day-to-day living, nothing extravagant," Moynul Mustafa, 15, said. And Montaz Begum Hossain, 16, said: "I have got a bank account but I only joined so I could get a free gift."

The junior world is divided between those who subsist on parental pocket money and those who help earn their keep.

"If you go into the real world and get yourself a job, that's when you're going to prove you're independent ... If you're not hard working, it's not actually your

own money," Denis Shukur, 15, said. He acknowledged the attendant responsibilities. "If parents see a child isn't reliable, he or she shouldn't get their own money. They might go out and buy things like drugs."

As they grow up, many believe that getting a part-time job is a valuable step towards greater responsibility. "I work to pay my mobile phone bill and my share of the phone bill at home. It's fair because I can't expect my mum to do everything for me now," teenager Julia Press said. Daniel Blackwood,

15, agreed: "It's right that once you reach a certain age you should earn it yourself."

Where parents are the main source of income, attitudes were mixed. For Mehrak Golestan, 13, financial handouts come complete with trust. "If I ask for extra money, she wants to know what it's for. But she wouldn't say, 'Oh, I don't think that's good, I'll just use it for things I'll regret later such as silly magazines.'

Nicola Smart, 13, prefers to use banking facilities to control cash flow. Children appear adept at making their income stretch.

While Montaz boards concessionary vouchers for the cinema and scours markets for bargains, Mehrak shops for records at the beginning of the week "when singles are 99p", and Stuart strikes a deal with his mother, putting "sometimes £10 towards a really expensive shirt".

□ "Children's Express" is a programme of learning through journalism for children aged 8-18. This discussion was led by editor Montaz Begum Hossain, 16, with the help of editors Moynul Mustafa, 15, Natasha Massiah, 14, and Sophie Lam, 17, and reporter Pfungwa Chitipa, 10.

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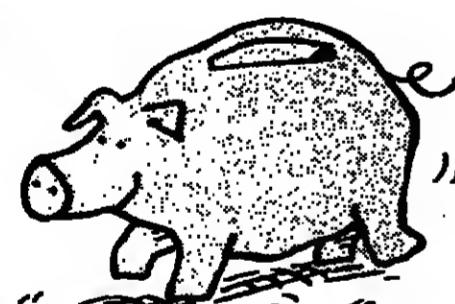
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EU condones cruel fur traps

Katherine Butler
Brussels
and Jojo Moyes

Britain last night attacked its European Union partners for putting trade before animal welfare by approving a deal which allows imports of fur from animals caught in cruel leghold traps.

A furious Foreign Secretary, Robin Cook, voted against the agreement at a meeting of EU foreign ministers in Brussels, but failed to muster enough support to block it.

Mr Cook said the agreement with Canada and Russia on so-called humane trapping standards did not go far enough. He said Britain would try to overturn the deal during its presidency of the EU next year and, failing that, would try to blunt its impact with labelling rules to alert consumers.

The deal bans fur imports from animals caught in the cruellest steel-jawed traps, but gives Canada and Russia three years to meet agreed humane standards for padded leghold and so-called "drowning" traps.

British officials said a major loophole in the agreement will allow even steel-jawed leghold traps to be used indefinitely if no alternatives are available to trappers. "This could have the effect of giving some leghold traps an international seal of approval."

A spokeswoman for the RSPCA said last night that it was "very angry and very disappointed" at the news. "Leg hold traps are banned in more than 60 countries world-wide because they're so cruel and yet the EU cannot ban their use or

the import of products because of free trade. We're absolutely disgusted," she said. "Ministers shouldn't have given in to free trade agreements, but made a stand for animal welfare."

The RSPCA, however, pointed to the "uneasy relationship" between international trade rules and raising animal welfare standards. Such trade agreements, it says, have already caused the EU to weaken its four-year-old legislation designed to prohibit the use of animals in cosmetics tests.

But the EU trade commis-

sioner, Sir Leon Brittan, welcomed the deal which aims to end years of antagonism between the EU on the one hand, and Russia and Canada - the world's biggest fur exporters - on the other. They would both be forced to phase out the cruellest trapping methods or face sanctions.

He said: "This will work better than any import ban because it tackles the problems at source by improving the trap itself - rather than at Europe's borders when it is too late." He added that a fur import ban, which was

supposed to have come into effect last year, but was overturned pending negotiations on humane standards, would be vulnerable to attack in the World Trade Organisation.

EU governments have been condemned repeatedly by the European Parliament and animal welfare groups for failing to implement the ban.

Britain has long been in conflict with Canada and the United States over its commitment to ban the import into Europe of fur from animals caught with steel-jawed leghold traps.



All at sea: Prisoners aboard HMP Wear, afloat in Portland Harbour, Dorset, are keen to get cells which have seaviews

Photographs: John Voos

A life on the ocean wave: comfy berths, sea breezes. Pity about the warders

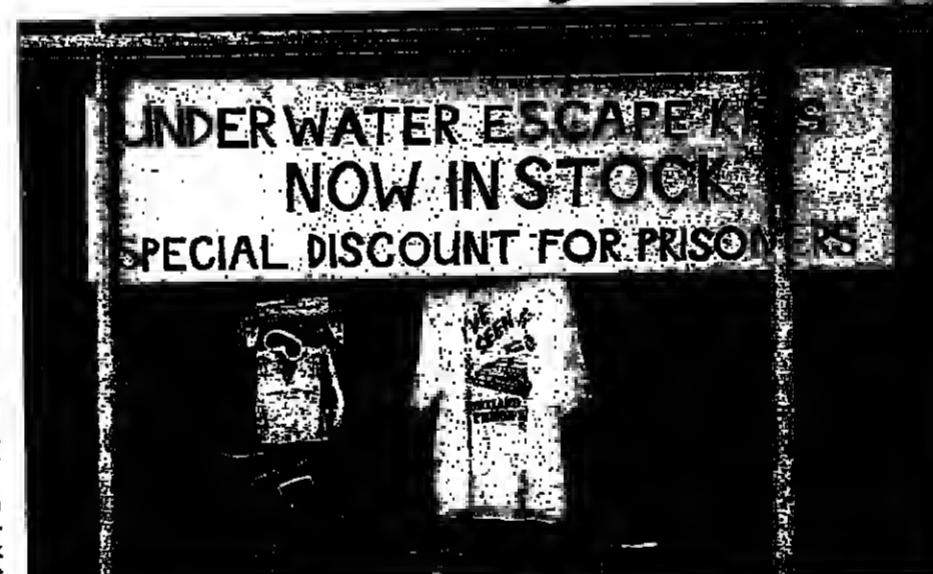
Jason Bennett
Crime Correspondent

As prison cells go, they must be the ultimate in rooms with a view.

On one side is the golden swathe of Chesil Beach, to the front the bobbing boats on Weymouth Harbour and to the right the open sea with the white cliffs of the Purbeck Hills in the distance.

The only thing to mar the prospect are the unsightly metal bars. The views belong to a select number of cells in the Prison Service's newly acquired floating jail in Portland Harbour, Dorset.

Indeed those that enjoy such an outlook have become highly sought after by the 63 low-risk inmates who have arrived at the jail so far. "I'm trying to get a seaview cell," enthused Anthony Bedford, 24, from Devon who is serving 12 months for theft. The world's media - from the United States, France and Brazil - were yesterday invited aboard HMP Wear for a guided tour. After facing strong opposition from Weymouth Council and a faulty sprinkler system which has forced two



evacuations, the prison is up and running.

Jail officials believe the £12 million spent on bringing the ship over from New York has been money well spent.

From the outside the five-storey vessel looks like a floating warehouse, something an unimaginative six-year-old might build out of grey Lego

blocks. After passing through five security checks, all surrounded by 20 feet fences topped with razor wire, the posse of reporters and cameramen were led over the gangplank to the prison ship.

Staying on the Wear is rather like being sentenced to a never-ending trip on the lower decks of a cross-channel fer-

ry. The main difference is that some spoilsport has whipped out the duty free shop, croissant bar, and newsagents, and then painted all the walls magnolia and fitted fawn-coloured lino.

The cells are not unlike a cabin on a ferry, except they are bigger and better equipped.

The jail has 200 two-man cells, measuring about nine feet

by 16 feet with 50 rooms on five landings. Each has two bunks, and en suite bathroom, with a shower, toilet and sink. They are air conditioned because the reinforced windows are sealed.

There is a glass window, rather like the displays at replica houses in zoos. Bars are only placed on cells that have sea-

views - half the rooms are in the centre of the ship and face inwards.

Facilities on board include a gym, recreation areas and a caged yard on top of the vessel. But despite these areas it is going to be difficult to keep up to 400 inmates.

Michael Burrows, 34, serving twelve months for theft, said: "Normally you can't wait to get out of the cell but here you can't wait to get in."

Richard Til, the Priso Service Director General, said yesterday that he'd been forced to use the jail to help ease the prison overcrowding which has reached a record 62,200.

He said it could top 70,000 by next spring and revealed that officials were considering Victorian psychiatric hospitals as makeshift jails.

The prison ship brought some surprise spin-offs.

The Portland Oceanacing diving shop is doing a brisk trade in £8 T-shirts with the slogan

"I've seen Portland Prison Ship". For £14 more the shop offers a mask and flippers under the sign "Underwater escape kit - special discounts for prisoners."

DAILY POEM

Cicadas in Japan

By Anthony Thwaite

Hear heard them, and thought them magical,
Tried to distinguish
The multiple trills and screechings, different
From decibels in Italy or Provence:
Shrill carapace of shellac, trembling membranes
Strumming glut cacophonies.

And they are indeed alien, their quavers
Underline again
And yet again how different they, and we, are -
Like the nightingale that is not a nightingale,
The crow that will never be a crow,
Though sweet, though ravenous.

And yet, in the shelter of summer, in a thick sweat,
Why not different?
They go with the twilight, the night, the day, the dawn
Coming again in shrill loudspeaker vans
Announcing news I cannot understand,
Speaking in tongues, wheezing out miracles.

Anthony Thwaite's experience of teaching in Japan is reflected in his 1987 collection *Letter from Tokyo*, the source of this poem. "Cicadas in Japan" now appears in his *Selected Poems 1956-1996*, just published (price £3.95) by Enitharmon Press at 36 St George's Avenue, London N7 0HD.

Abortions rise by 8 per cent after contraceptive pill scare

Glenda Cooper
Social Affairs Correspondent

The number of abortions rose last year - the first increase in five years - following the 1995 contraceptive pill scare.

Family planning experts called for a review of contraceptive services saying that the consequences of the Pill scare had been exacerbated by the poor state of family planning services.

In 1996, 177,225 abortions were carried out in England and Wales, a rise of more than 13,500, or 8.3 per cent on 1995, according to the Office for National Statistics. The largest increase was among NHS patients (11.5 per cent) rather than privately funded abortions (1.5 per cent).

The overall abortion rate for women resident in England and Wales was 13 abortions per 1000 women aged 14-49 compared to the mid-1995 rate of 12.

The Pill scare in October 1995 followed a government warning that the newer "third generation" pills carried a small but increased risk of causing blood clots. Ministers and the Committee on the Safety of Medicines were attacked by doctors over the warning and the way it was put out, with some doctors hearing about it from the media and unable to counsel or advise their patients.

Women inundated hospitals,

surgeries and family planning clinics to try to get more information with many simply stopping taking their contraception.

Anne Weyman, chief executive of the Family Planning Association, said: "This is the first annual increase after five years of falling figures. We are very concerned about this rise. Although the Pill scare is a contributing factor it cannot be held solely to blame."

She said there should be an urgent review of current family planning services to determine whether they are meeting women's demands. "An increase after years of falling rates shows that many women are not getting the help and support they need in this area."

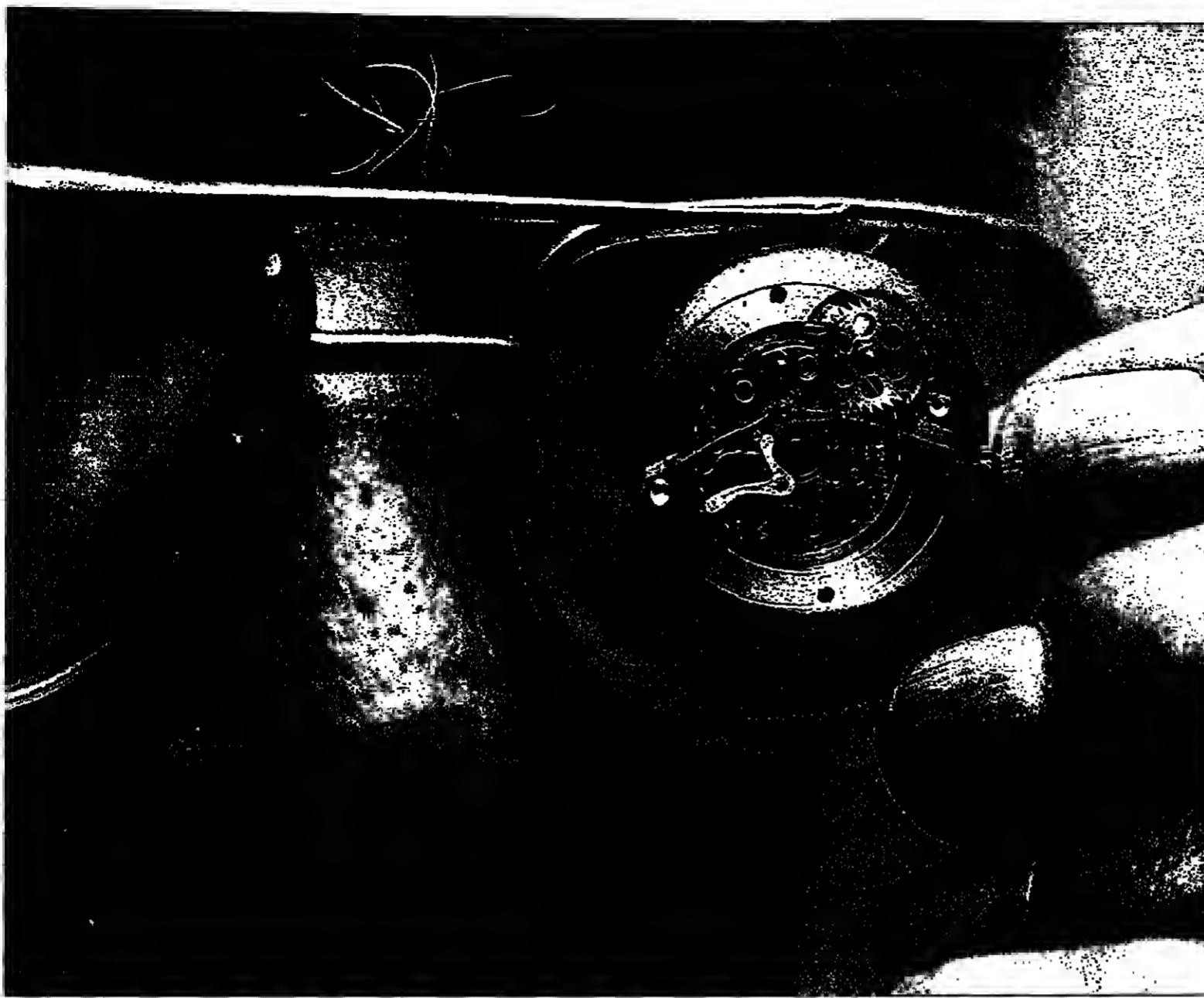
Nuala Scanlon, a trustee of the pro-life charity Life, said: "The surge in teenage abortion must be due above all to the 'value-free' sex education and the

pernicious influence of the media to which the young are exposed and which undoubtedly encourage them to be sexually active."

When will the Government see that we have got it badly wrong and admit that the condom culture increases the amount of teenage pregnancy and abortion, as well as sexually transmitted disease?"

Brendan Gerard, of the Society for the Protection of Unborn Children, said: "Public reaction to abortion cases over the past year indicates that more people than ever are disturbed by the widespread practice of abortion virtually on demand."

□ Legal abortions in Scotland and Wales in 1996: ONS Monitor AB97/4 ONS, SA.



Keeping an eye on the time: Dr George Daniels inspecting his invention, the co-axial escapement, which, as the first new practical watch escapement for 250 years, will be taken up next spring by the Swiss watch industry

Photograph: Kalpesh Lathigra

DNA clears man of murder 23 years later

Charles Arthur
Science Editor

Saskatoon on 31 January 1969. A year later, David Milgaard, then 17, was convicted of the crime and sentenced to life imprisonment. He always protested his innocence, attempted suicide three times while in jail, escaped twice, and was never given parole because he refused to say he was guilty. He was released in 1992.

The test results, announced yesterday, were carried out by British forensic scientists. It is the oldest DNA evidence used to clear a crime, and may even be used in a new conviction: the samples have been found to match those of another man with a record of sexual offences.

The evidence came from a notorious miscarriage of justice in the province of Saskatchewan, where the body of Gail Miller was found dead in a snowbank in

new tests were brought to the Forensic Science Service laboratory in Wetherby, West Yorkshire. The tests were completed last Friday and the new evidence immediately relayed to Mr Milgaard's lawyers.

Dr Dave Werrett, FSS director of DNA services, said: "We were able to detect semen, and take enough of it to get a DNA sample, which we then subjected to the test systems routinely used in the UK by the FSS."

A FSS spokesman said that in the course of the investigation another man came to light who was in prison for similar offences. He was found to have the same DNA "fingerprint" obtained from the samples. The man, who cannot be named, has just been released from prison.

Last week, the items for the

Warning: Children are bad for you

Glenda Cooper
Social Affairs Correspondent

Having children can raise the stress levels of working women to such an extent that their health is at risk, according to new research.

Family size makes no difference – looking after one child is enough to push stressed mothers to the edge.

Researchers from Duke University in North Carolina found that mothers had a higher risk of heart attack and other health

problems than working women without children.

The team, whose findings appear in the journal *Psychosomatic Medicine*, studied 109 women working in clerical and service jobs and measured the stress-related hormones in their urine over two days. Hormone levels were correlated with factors such as whether the women were single or married and how many children they had.

The study, funded by the National Heart, Lung and Blood Institute, found that stress hor-

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1. The Rules of the Bristol & West Building Society will cease to apply.
2. The Bristol & West General Investment Conditions (as amended from time to time) shall be deemed to be incorporated in the terms and conditions of all Bristol & West investment accounts as at Vesting Date.

NOTES

1. The General Investment Conditions are set out on pages 85 to 89 of the Transfer Document sent to all eligible Investing Members. Further copies are available on request.
2. The Bristol & West Building Society will cease to exist on Vesting Date. Investors in the Society's share and deposit accounts will become depositors in Bristol & West plc. Vesting Date is expected to be 28th July 1997.

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assessed their traffic forecasts. The first phase of the new terminal is to be completed by 2003.

Mr Dockery yesterday said that the Highways Agency was not considering any other alternative schemes. "If there was a decision not to widen the M25, we would have to go back to the drawing board. The Highways Agency has no contingency proposals at the moment."

Thomas Dockery, a Highways Agency official, told Roy Vandermec OC, the inquiry's inspector, earlier this month that "although T5 is not the cause of the M25 widening, or related to it, nevertheless T5 depends upon it".

The public inquiry has been running since May 1995 and costs £1m a year. The last time the Government altered the M25 scheme – in November 1996, by cutting out the link roads to T5, previously considered essential – the public inquiry had to be adjourned for three weeks while planners re-

assessed their traffic forecasts.

The first phase of the new terminal is to be completed by 2003.

Mr Dockery yesterday said that the Highways Agency was not considering any other alternative schemes. "If there was a decision not to widen the M25, we would have to go back to the drawing board. The Highways Agency has no contingency proposals at the moment."

When asked what would happen if the M25 road scheme were dropped, Mr Dockery said: "Clearly we have said that we are not keen to connect to the existing motorway network. We believe that under the current system we could not increase the volume of traffic."

Donald Anderson, BAAs senior planner on T5, said that the company had not considered an alternative road link and said that if the M25 proposals were deferred it would "not be easy to carry on".

The widening project, which will leave some parts of the motorway with 12 lanes, was expected to be approved yesterday. But Mr Prescott overruled his Cabinet colleague Gavin Strang, the transport minister,

Despite reaching decisions on most of the 12 projects under the Government's "accelerated review" programme, transport ministers have found themselves under attack from environmentalists. It emerged yesterday the decision concerning another project – the A2/M junction improvement – might also be deferred as work on the stretch of road does not need to start until next year.

The Department of Transport

stressed that the final decision had not been taken and an announcement on the M25 and 11 other schemes would come "before the end of the month".

Devolution for Wales: Government faces first serious backbench rebellion as White Paper is unveiled

Anger at broken pledge on quangos

Fran Abrams

Political Correspondent

Welsh devolution last night provided the Government with its first serious backbench rebellion. Ron Davies, Secretary of State for Wales, was forced to rebut opposition from several members of his own party as he introduced a White Paper on his proposals.

Labour MPs claimed that promises of a "bonfire of the quangos" had not been fulfilled. The White Paper says the number of executive bodies will be reduced from 19 to 14 and that one of the biggest, the Welsh Development Agency, will grow even larger as it absorbs two smaller bodies.

Llew Smith, the MP for Blaenau Gwent who complained that Mr Davies had tried to bury him into submission on the issue, was also among half a dozen Labour objectors who spoke out yesterday. "The Secretary of State said he intended to scrap the quango state in Wales and he has obviously failed dismally at that," he said.

There were also objections from some Labour members to the proposal that the new 60-member assembly should be elected partly through proportional representation. Sir Ray Powell, the MP for Ogmore, told Mr Davies that he would vote against the measure if PR was not dropped.

Alan Williams, the Swansea West MP, said the Government had failed to spell out how the new Welsh assembly would be allowed to develop in future. Mr Davies was offering the Welsh people "the constitutional equivalent of a mystery tour," he said. "They can decide whether to go

on the bus or not, but they have no idea of its destination."

Mr Davies is looking at about six buildings in Cardiff as possible homes for the new assembly, where the English and Welsh languages will be given equal status. If the referendum results in a "yes" vote, the £7bn annual budget for Wales which he now controls will be handed over to the new body. The assembly will cost between £12m and £17m to set up and will involve additional running costs of between £15m and £20m per year.

Although the body will not have tax-raising powers, it will have responsibility for education, health, training, agriculture, transport, industry and the environment. The Tories claimed yesterday that although it would not be able to interfere with local authorities it could divert their budgets elsewhere and force them to put up council taxes.

The new assembly will not be able to pass primary legislation, but will be able to decide on secondary measures, such as the content of the school curriculum. Mr Davies' role will be reduced to that of co-ordinator between Westminster and Cardiff, representing the new assembly at Cabinet meetings and attending its meetings to explain government policy.

Two-thirds of the assembly members will be appointed on a first-past-the-post system, with one sitting for each of 40 existing Westminster constituencies. The other 20 would be picked from party lists and would be allocated on according to the percentage of the vote that a particular party gained in each region of Wales.

The English should vote too,

page 14



Keeping cool: William Hague enjoying Frank's Welsh ice cream at the Royal Welsh Show where he took his anti-devolution message yesterday

Commons takes on Welsh lilt as Hague becomes star of the agricultural show

Tony Heath

When Ron Davies, the Secretary of State for Wales, stood up in the Commons yesterday afternoon to unveil the Government's devolution plans, William Hague, the Tory party leader, was in tent at an agricultural show 150 miles away.

As the leader of the Opposition's only Cabinet experience was as Secretary of State for Wales in the Major government, the choice of his old stamping ground on such an historic occasion seemed appropriate.

Asked whether people living outside Wales would be en-

couraged to sign up, Mr Hague replied: "Why not? It's a UK matter." Presumably Channel Island residents are welcome. Not to be outdone, his minder for the day, the former MP Sebastian Coe, added his signature.

Earlier the Opposition leader toured the show, stopping to admire prize cattle and sampling Welsh wine. He wisely refrained from observing the Royal Welsh pole climbing competition, one of the many fringe events that enliven the show.

Many show-goers preferred to concentrate on the livestock and machinery spread over the showground's broad acres, but the devolution issue sparked some interest.

"The Tories have ruled Wales from London for so long that there is now a ground swell for an elected assembly," said Derek Hills, a retired assistant

director of education from Hertfordshire now living in the heart of Wales.

Farmers, traditionally cautious and pragmatic, were weighing the issue as carefully as they weigh their livestock. John Williams, who runs 1,000 sheep at Daffyn Ardudwy Bay coast, is content. "I'm happy with the way things are. Cardiff, where the assembly would be, is too far away for us up in North Wales," he said.

A year ago, Eifion Morgan quit farming and today rents out his land and lets holiday accommodation to city dwellers escaping to the peace of the Usk Valley outside Brecon.

"An assembly's got to be good for everyone in Wales. Westminster is too far away to understand our problems and needs," he said. That senti-

ment was echoed by Meurig Voyle, one of the Welsh farming industry's most colourful characters. A retired Farmers' Union of Wales official, he tours agricultural shows with evangelical zeal.

"Of course, we need an assembly. Farmers can only benefit — I remember that often English farmers got their ministry cheques days and days before we got ours in Wales. An assembly will sort out that sort of thing," he said.

Before entering Parliament at a by-election in 1985, Richard Llysw, Liberal Democrat MP for Brecon and Radnorshire, was himself a farmer. He declared: "The Tories are burying their heads in the sand. They're simply recycling opinions that were roundly rejected in every part of Wales on 1 May."

Although support for devolution is still not as strong in Wales as it is in Scotland, opinion polls indicate that the referendum result on 18 September will be in favour of the change.

Critics learn bitter lesson of history

Fran Abrams

Political Correspondent

If a week is a long time in politics, 18 years is a veritable aeon. The Secretary of State for Wales was forced to admit yesterday. For Ron Davies, now charged with piloting Welsh devolution through the Commons, was one of its strongest critics in the 1970s.

"I have learned a very bitter lesson since 1979, that rule by the people of Wales... is a far better prospect for our people than rule by Conservative secretaries of state who represent no one other than their own vested interests," he told the House of Commons.

Ironically, Mr Davies' reversal was pointed out yesterday by Sir Ray Powell, the member for Ogmore. In the 1970s, Sir Ray was a strong supporter of devolution but today he opposes it because he is against proportional representation.

Although this government will face a backbench rebellion over its proposals, Mr Davies knows that the trouble ahead will be a mere ripple in comparison to the storm faced by James Callaghan's government over the same issue.

The then Prime Minister had to endure a brilliant campaign of opposition led by a bright young MP named Neil Kinnock. Mr Kinnock's campaign was so successful that 80 per cent of the Welsh people voted against the idea, and as a result the government fell.

Things have changed since then. Yesterday even Mr Kinnock's former constituency, Islwyn, had swung round to support the Government's proposal. Tony Wilkins, the local agent who underlined its opposition to devolution recently as two years ago, is now running the campaign for a "yes" vote in the area.

Although support for devolution is still not as strong in Wales as it is in Scotland, opinion polls indicate that the referendum result on 18 September will be in favour of the change.

Britain near to deal on cleaning up abattoirs

Katherine Butler

Brussels

Jack Cunningham, the Minister of Agriculture, was poised to secure a deal last night, forcing Britain's EU partners to meet tougher meat safety standards. But be warned that he would press ahead with a ban on sales of Continental beef and lamb from countries which refuse to clean up their abattoirs.

Seven of the 15 EU agriculture ministers were holding out against the new rules as talks continued last night, but eight are needed to block the European Commission from forcing the measures through. Portugal and Finland were considering siding with the UK, pending assurances that implementation of the rules would be delayed a month. With their backing, Britain can be assured the deal

will go through. Opposing governments, led by Germany and Austria, meanwhile continued to resist the extension Europe-wide of British rules which would require the removal and destruction of cattle and sheep offal which could harbour BSE, or its sheep equivalent, scrapie.

Brains, eyes, tonsils and spinal cord have to be cut out and destroyed at the point of slaughter in Britain, but only a handful of other member states impose such standards.

Ireland and France, which together account for most of Britain's beef imports are among those who do.

Angered by Britain's failure to police its own beef export ban, and by what they see as London's bid to "turn the tables" on Europe, some governments argued that the official ban was unnecessary because of

the low incidence of BSE and scrapie in their herds.

The cost of overhauling slaughterhouses would be disproportionate to any potential health risk, they claimed.

Mr Cunningham said that whatever the outcome of the vote in Brussels, British consumers would benefit from increased protection. "Whatever happens, British people will be protected because if there is no agreement here I will introduce orders in the House of Commons ensuring that beef coming into Britain will be subject to the same rigorous safeguards as British beef".

He defended the threat as "consistent with our determination to put public health at the top of our agenda". Mr Cunningham said that the offending organ, which scientists suspect pose a greater risk of transmitting BSE infection than ordinary meat, could be cut out "at source" or in designated plants in the UK after import. It is extremely unlikely that importers or supermarket chains would want to bear the extra cost however.

The effect of Mr Cunningham's order therefore would be to ban meat from plants which refuse to voluntarily upgrade their premises.

Franz Fischler, the EU Agriculture Commissioner, urged ministers to back the measures on the basis that their controls have been shown to be alarmingly lax and that therefore they cannot reliably claim to be BSE or scrapie-free. Even if the incidence of the disease is much lower outside the UK, the rules of the single market require uniform slaughtering standards, he said.

Minister pledges independence of new food standards agency

Glenda Cooper

Consumer Affairs Correspondent

The new Food Standards Agency must be consumer-driven, independent, and accountable, David Clark, the Chancellor of the Duchy of Lancaster, said yesterday.

Speaking to the National Food Alliance in London, Dr Clark said that there would be an announcement on the consultation so far in the next two weeks, and that the Government would be publishing proposals in a White Paper in the autumn, and produce a draft Bill in the spring of 1998.

"Confidence in the safety of the food we eat was severely un-

dermined in recent years," he said. "The £4 billion BSE crisis and the E. coli outbreaks which resulted in such tragic loss of life have made unanswerable the case for a rigorously independent, open and effective Food Standards Agency."

So far there had been 642 responses to the report of Professor Philip James, who looked at the possibility of setting up an agency.

"Protection of public health is the essential aim of the agency we are setting up," said Dr Clark.

The tremendous response we have received to the consultation period which followed the James Report underlines

the importance of the issue to every man, woman, and child in Britain."

Principles behind the agency would include open and transparent processes, protection of public health and clear and consistent action.

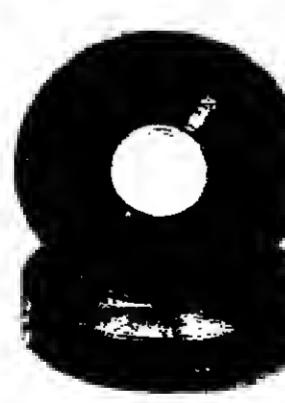
The Food Standards Agency must act — and he sees to act — in the interests of consumers. That is why I want the workings of the agency to be open and clear, with action and advice based on sound science and risk analysis."

He said that it was necessary for the agency to adopt an integrated approach to food issues. "The agency should reflect the variety of interests involved

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international

Not waving but drowning in Moscow

Phil Reeves
Moscow

Take any capital city and make a guess: how many people do you think drown there in an average summer month? Ten, perhaps? Twelve? Even 20 does not sound implausible. So what on earth is going on in Moscow?

An incredible 116 people drowned after plunging into Moscow's rivers, lakes and ponds between June and the end of the first week of July ac-

cording to the city's ambulance service.

There were no collapsing road bridges, no sinking passenger ferries, no packed trains plunging into lakes. Just one death after another, and another. The figure is another contributor to a demographic crisis that last year saw Russia's population decrease by 430,000 – the equivalent of a city the size of Edinburgh – setting the average life expectancy for a male at a mere 59 years.

It comes as no surprise to the Russians. While about 750 people drown every year in the United Kingdom, Russia regularly overtakes that figure with one summer month.

The population of 147 million is nearly three times that of Britain, but the number of drownings is 23 times higher. By contrast, an average of just over six Londoners drowned each month last year. The picture is the same throughout Russia, where 16,157 people last

year went to a watery grave according to government statistics.

That figure, though horrifying, was lower than the carnage of 1995 when a record 20,458 drowned, more than a third of the total number of Americans who died in the Vietnam War in a decade. This heavy toll partly reflects the Russian tradition of spending summer weekends picnicking on the banks of rivers and lakes. Add to that a lack of public swimming baths, poor rescue services, dismal

safety education, a population that has no money for other leisure activities, and some notoriously treacherous waterways, and the dimensions of the problem become clearer.

The figures for winter are also surprisingly high: 215 people drowned throughout Russia in January, including a sizeable number of fishermen who fell through ice.

Alcohol abuse also plays a terrible role. Last month's list of the dead only included sev-

eral children; the rest were adults, of whom a large number were intoxicated.

According to Ivan Zelentsov, spokesman for Moscow's Civil Defence service, just under one-third of those who drown in his area are drunk (an estimate which many Russians will consider conservative). "People are irresponsible. They try to swim in every possible lake or pond," he said.

A collapsed health care system, smoking, bad diet, pollu-

tion, and general economic decline bear much of the blame for Russia's shrinking population. Some demographers expect it to drop to 123 million over the next 33 years.

But accidents are also proving to be a huge killer. In 1995, a quarter of the Russian male deaths were the result of accidents and alcohol poisoning. The average age of the victims was 42 years, which suggests that Russia is losing manpower at a catastrophic rate.

One leading demographer, Sergei Yermakov, claims the country lost 2,000,000 working years in 1995 because of premature deaths, depriving the economy of potential earnings of \$20bn.

And if those statistics aren't bad enough, then there's more bad news. Muscovites who persist in braving the treacherous waterways in the city face a new peril: traces of cholera have been detected in the water in five separate places.

Bastille Day on the Wild Side is a big drag for the queens

David Usborne
New York

Wander the canyons of New York on Sunday in summer and chances are that somewhere you will stumble on a street festival. Probably it will be an ethnic celebration in honour of a Puerto Rican holiday or an Italian saint. What I found last Sunday was a block party with Bastille Day as the theme.

As I penetrate the crowds on Gansevoort Street in the meatpacking district in Manhattan's lower West side, something tells me that this fair's going to be a touch different from most others. The fact that we are already 20 July – six days after Bastille Day itself – is not the only thing that's unusual here.

Pardon me... "It that striking lady on stage there in the twenties flapper's dress - with biceps like that, doesn't she have to be, um, a guy?"

Mais oui, ma chérie. That afternoon and night of frivolity and general who-ho-ho is most certainly not sponsored by the French consulate.

Rather, now in its eighth year, this is becoming an excuse for a coming together not just of the city's large gay population but especially of its drag queens.

Almost instantly, I am accosted by a girl with dark Paula Jones hair, false boobs that are not quite in the horizontal and a five o'clock shadow. She demands to know if I

have yet recovered from our recent hot night in Monte Carlo. I had, I told her.

No sooner do I extricate myself from her than somebody else, not in costume, thrusts a flyer in my hand decrying Mayor Giuliani for allegedly shutting down "queer New York" with club closures and arrests of men in the World Trade Center lavatories. "THIS IS A SEX PANIC!" it screams, inviting me to seek further information on the Internet at www.gaycities.com.

The mayor, who has made a political career out of sanitising the city, would not have cared for the entertainment that unfolds over eight hours on the stage erected at the cobblestone street's western end. The boy-girl in the flapper dress is Sybil Bruncheon, mistress of ceremonies.

With torrents of innuendo, she introduces the myriad acts and conducts periodic raffle-ticket draws. Someone wins a case of strawberries from a shop called The Fruit Exchange. "Nu darlings, that is not a place to buy homosexuals wholesale!"

With trestle tables arranged in front of the stage with both lunch and dinner served to 500 people in two servings, Ms Bruncheon gets most mileage from jokes about the grand prize – a trip for two to Miami Beach. Accommodation, of course, will be in the hotel suite occupied by Andrew Cunanan before he allegedly



Dress sense: Mayor Giuliani has been accused of trying to shut down 'queer New York' but the drag queens are having none of it

Photograph: Frank Spooner

murdered Gianni Versace. "Did you hear?" Sybil asks. "The police say Cunanan may be disguising himself as a woman. That doesn't seem so strange".

It is hours before the culmination of the day's events, held to benefit Housing Works, a charity offering shelter to homeless Aids victims in the city. At 9.30 the drag-costume

competition begins, with Marta Antoinette as the appropriate theme. The material is mostly pornographic, but the fashions being worn are world-class. Being modelled on the likes of Gringa and Candis Cayne are creations donated by such designer notables as Yves Saint Laurent, Isaac Mizrahi and Oscar de la Renta. Ms Cayne is especially diverting in

her all-leather bodice, cowboy hat and ancienne régime bloomers.

At the tables, the bourgeoisie have the best view of the stage, but we, the peasant rabble filling every cobbled inch of the rest of the street, go to choose the competition's winner by volume of applause. By 10.30pm we have a tie. Sharing the trophy – a guillotine in Perspex

– are Chuquita, who sang with astonishing clarity an aria from Catalani's *La Wally* and Mona Foot, black, six foot six and wearing a towering tri-colour wig, all bulging strips before us while lip-synching rap lyrics that would have sent Jesse Helms into paroxysms. Entitled "Let them eat pussy!", the song details Mona's preference for fellatio over penetration. With the show over, the mostly male, and mostly shirtless, multitudes stream into the Hell nightclub, also known as Gansevoort. Suddenly, the name meatpacking district begins to assume new meanings in my head and I decide that it is time that I wind up my Sunday afternoon constitutional on the West Side. Make that Wild Side.

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Dark side of family life puts strain on Asean

Richard Lloyd Parry
Kuala Lumpur

The leaders of the Association of South-East Asian Nations (Asean) are fond of referring to themselves as a family and, superficially at least, there is something to be said for this arch analogy. The seven members – ranging from stately Father Indonesia to more skittish siblings like the Philippines, and eccentric left-wing aunts like Vietnam – get together once a year for a big summer party, at which compliments are exchanged and family matters are given a thorough airing.

This week's meeting in Kuala Lumpur will be the 30th such gathering, a celebratory occasion at which three long lost children were finally welcomed into the fold. But quite unexpectedly, as preparations for the big party were just gathering pace, the family went through a run of terrible fortune. In the last few weeks, one brother has nearly gone broke, several others have lost their own money trying to bail him out, and one of the prodigal sons has gone berserk.

Even as recently as a month ago, this week's meetings were being portrayed as a symbolic gathering of the Asean family. As things stand, however, the family has become strained in the last few weeks, as Hun Sen's forces have trampled all over the Paris peace accord, partly brokered by Asean, which temporarily brought peace to Cambodia. Phnom Penh's membership has been put on hold, spoiling the symbolic unification of the region.

The coup in Cambodia and a run on member states' currencies expose organisation's weaknesses

and diplomatic landmark, when Asean would move a step nearer to its destiny as the closest thing Asia has to the European Union. The group was to complete its membership by welcoming Burma, Cambodia and Laos, after three decades of remarkable growth and increasing co-operation.

Asian diplomats speak of the "Asean way", based on behind-the-scenes consensus building and public harmony. Today, as ministers gather for the first in a long round of meetings, the economic stability, the harmony and the confidence are in tatters, shot to pieces in the Cambodian coup and the assault on south-east Asian currencies through carried out by international speculators.

Discussion is certain to be dominated by the Cambodian crisis, which has seriously undermined one of Asean's most fundamental principles. Asean's governments range from a high-spirited, if unpredictable, democracy like Thailand to the

authoritarian quasi-dictatorship of Indonesia. But they have always insisted that stability is their political aim, and that no state is in a position to criticise the internal political arrangements of another.

This point was forcefully made a year ago when Asean confirmed that it would be admitting Burma as a member. The announcement caused consternation in Western capitals, where Burma's junta, the State Law and Order Restoration Council (Slorc) is considered beyond the pale. But Asean stuck to its guns, insisting that only through "constructive engagement" with Rangoon could Slorc be shown the error of its ways.

That argument has become strained in the last few weeks, as Hun Sen's forces have trampled all over the Paris peace accord, partly brokered by Asean, which temporarily brought peace to Cambodia. Phnom Penh's membership has been put on hold, spoiling the symbolic unification of the region.

Although its intention was partly to stamp out the increasingly popular quasi-religious cults, it also swept in the Catholic Church – which has long been at loggerheads with Russian Orthodoxy – and other mainstream confessions, such as the Baptists. It includes imposing a waiting period of 15 years before allowing religious organisations full legal rights – a clause which would have barred them from owning property and conducting public worship during that period.

Mr Yeltsin now faces the prospect of a showdown with the Duma, the Russian parliament, which will accuse him of pandering to the West and especially the US. It can override his veto with a two-thirds majority vote.

The powerful Russian Patriarch, Alexy II, a firm advocate of the proposed laws, can be expected to lend his weight to a new effort to push it through. He has described the growth of foreign cults in Russia as a Western invasion.

The president's decision brings a temporary halt to a tortured conflict which sent conservatives and the Church against liberals and the West.

Yeltsin backs religious freedom

Phil Reeves
Moscow

Boris Yeltsin was last night facing a confrontation with the powerful Russian Orthodox Church and both houses of parliament after voting a fiercely disputed bill resurrecting freedom of worship.

The president's eagerly-awaited decision will be warmly welcomed in the West, and particularly in the United States, where senators had voted to withhold about \$200m (£120m) in aid to Russia if he signed it.

The bill, "On Freedom of Conscience and Religious Association", placed Mr Yeltsin in the awkward position of weighing

the damage it would do to Russia abroad against huge domestic pressures. It was fiercely opposed by the Pope, who wrote to Mr Yeltsin requesting him to withhold his signature.

Announcing his decision, the president, who is on holiday in central Russia, said it would have restricted the constitutional rights of Russians, destroyed the equal rights of different religions, and "contradicted" Russia's "international obligations". He also said it could "trigger religious strife" in Russia.

The legislation, overwhelmingly supported by both houses of parliament, placed restrictions on new "non-tradi-

ditional" religions in Russia, which is overwhelmingly Orthodox, but also contains large numbers of Muslims, Buddhists and Jews.

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It's a catastrophe says Kohl, as deluge tests 100-mile wall of sandbags built by 35,000 soldiers

Great flood breaches Germany's defences

Inira Karacs
Bonn

The makeshift walls of sand thrown up by German sappers along the country's eastern frontier were crumbling away yesterday, consumed by the most vicious torrent of the century.

As the once sleepy Oder roared in from Poland, the dykes guarding the village of Brieskow gave way, and the streets submitted to the river. The breach was eventually plugged, but inhabitants of the nearby village of Aurieth had to be evacuated when another dam burst, and geyser-like springs erupted everywhere behind the barriers. Rescuers fear Brieskow is only a foretaste of things to come.

Less than 10 miles downstream lies Frankfurt an der Oder, an impoverished East German industrial town of 90,000 souls, far removed in distance and wealth from its wheeling-and-dealing namesake by the Main. The waters that have been lashing Poland for the last two weeks are due to peak here today. That is, if the

heavens stay as calm as they have been for the past two days.

Yesterday the sun shone again over much of Central Europe, allowing Czechs in Moravia and Poles in Silesia to start sweeping out what remains of their homes. The rivers yielded another eight corpses in Poland, bringing the death toll to 60 there and to 46 in the Czech Republic. More than 1,600 towns and villages were inundated in monsoon-like weather last recorded in this part of the world 500 years ago.

In Poland, 140,000 people had to be evacuated – 62,000 have no home to return to. The Czech Republic was slightly more fortunate, with only 10,000 homeless. The damage wrought on the fragile rural economies of the region can only be guessed at for the moment. Vast cornfields have become fish ponds; tens of thousands of farm animals are being swept towards the Baltic.

The Polish government yesterday rushed through a package of measures to help the victims of the floods, promising one-off payments to those affected and a tonne of seed grain for every hectare of land turned into a sea of mud.

The announcement was accompanied by an uncharacteristic apology from the Prime Minister, Włodzimierz Cimoszewicz, who had earlier comforted farmers with

the sentiment that they should have been insured. "I simply say sorry for my inappropriate remark," he said. Mr Cimoszewicz is blamed in some quarters not only for failing to make emergency preparations, but indirectly for causing the inundation of Wrocław, the capital of Silesia. Officials had wanted to blow up dykes

upstream of the city in order to divert the floods into the fields. But farmers, many of them uninsured, lay down on the dykes to prevent the blasts. Wrocław could not be saved. No such mistakes are likely to be made in Germany. Chancellor Helmut Kohl rushed to the threatened region yesterday, strolling on the still

dry streets of Frankfurt an der Oder and already promising lavish funds for any future victims. "It's a terrible catastrophe for the entire region, for Germany and Poland," Mr Kohl said on his visit to the town.

"The situation is critical, and the people should know that we will do what's necessary. I'm taking care of



it. We are organising all imaginable help," he said.

A helicopter was sent to dump sand on a five-metre tear south of Frankfurt an der Oder, said a spokeswoman for the interior ministry in Brandenburg state.

Along the 100-mile long stretch of the rivers Oder and Neisse in Germany, some 35,000 Bundeswehr soldiers have been piling up sandbags for weeks. The mounds have risen as the waters have climbed, staying ahead by just a few inches every day. "If the wall breaks, then all you can do is run," said one soldier.

The rescue services are organised with military precision. The soldiers have been dispatched to any dyke that are endangered. At the same time, fire-fighters dash about switching off electricity and gas, while other forces are in charge of evacuating people from their homes. To prevent an epidemic, thousands of chemical toilets are already waiting outside the gates of Frankfurt just in case the dams burst.



Water wall: A man rescuing a child from his home in Brieskow. Sappers later repaired the dykes breached by the Oder. Photograph: Reuters

French workers threaten strike to halt Le Shuttle

Joanna Lee
Paris

British holidaymakers face the threat of more disruption today after French Eurotunnel workers prepared last night for a one-day strike.

The stoppage is likely to affect services on Le Shuttle,

which transports vehicles and passengers through the Channel Tunnel between Folkestone and Calais. Freight services are also likely to be affected, but the separate Eurostar passenger train service, which operates between London and Waterloo and Paris Gare du Nord, will run normally. It is not yet clear how much

disruption the strike will cause. Trade union bosses were to hold a final meeting today to decide on the strike; they were unwilling to speculate on how many workers would be involved, or how long the strike would last.

In theory all sectors on the French side of the Channel may come out, for all or part of

today. The strike has been triggered by long-term grievances over workers' conditions.

A spokesman for the CFDT union, the main representative of Eurotunnel workers, explained: "The original workers' statute was drawn up in 1991 without consultation with the French unions. We want to

change this". Employees are becoming angry over working conditions. Principle grievances include pay packets of salaries and the length of shifts.

Recent events have aggravated their discontent, particularly the large pay rises for Eurotunnel bosses in 1996. Fears for safety have been fuelled by

the fire last November, which injured three employees.

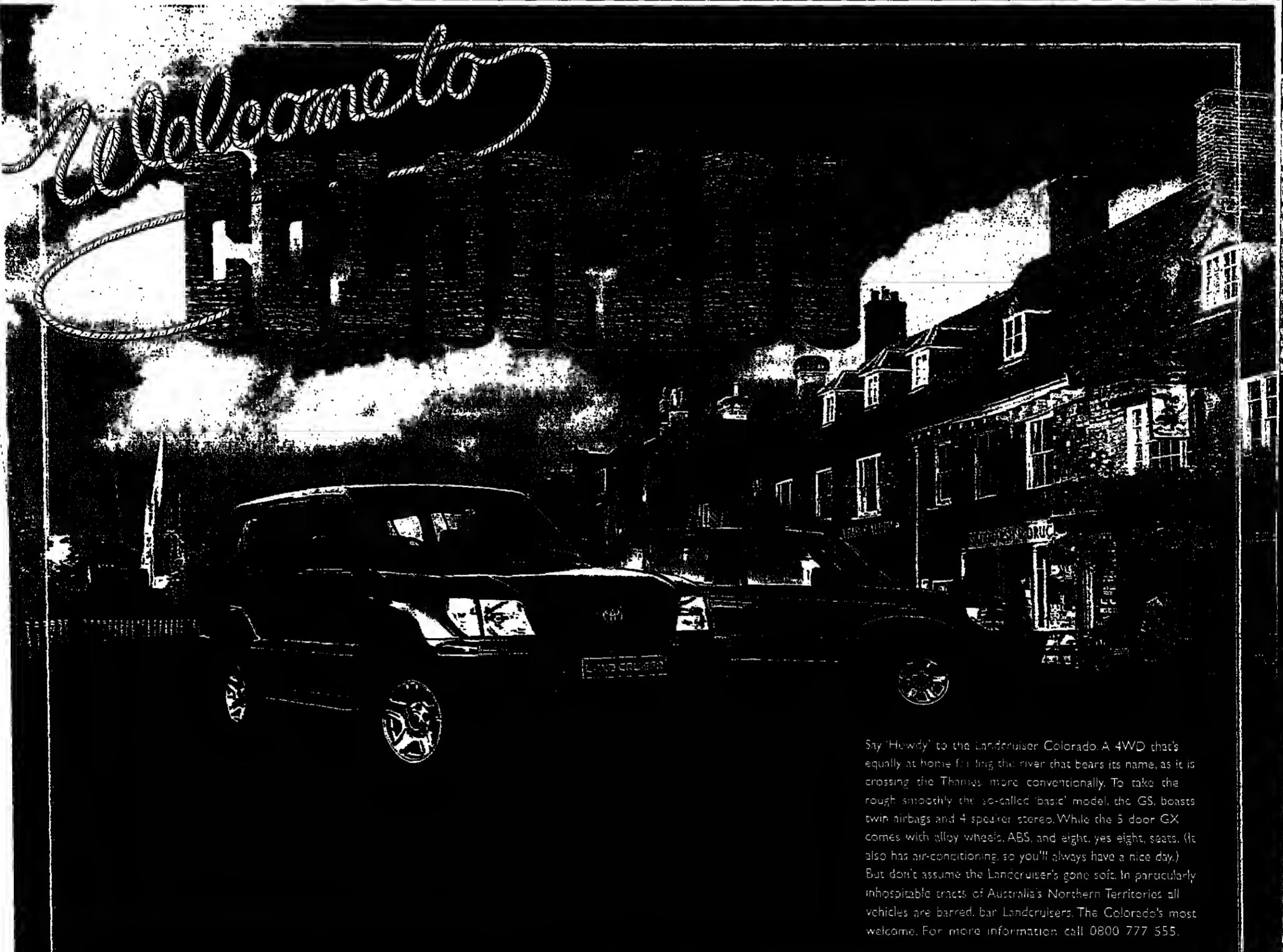
Trade union representatives are demanding a review of salaries, working hours, shifts and overtime payments. A meeting has been arranged with Eurotunnel directors on 29 July, but workers have decided to go ahead with the strike anyway.

There are no plans for last-minute talks to try and avert disruption in one of the busiest periods of the year.

Le Shuttle operates between three and four passenger services per hour, carrying 6,000-9,000 vehicles each day. Last Sunday, more than 9,500 vehicles took the underground

route to France. The freight trains carry up to 1,300 lorries daily.

Although it is uncertain how many Eurotunnel workers will come out on strike, it is likely that industrial action of any kind in such a busy period will affect some trains leaving Folkestone today.



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international

Holocaust legacy: Switzerland responds to international criticism while Italy sentences Nazi war criminal

Swiss bankers to list war accounts

Louise Jury

The names of holders of thousands of accounts lying unclaimed in Swiss banks are being published across the world today in response to international criticism over the banks' treatment of Holocaust survivors.

The move is a late attempt by members of the Swiss Bankers' Association to clean up their image, which has been tarnished by allegations that they obstructed attempts by survivors and their families to reclaim assets after the Second World War.

Pages of names are being printed in newspapers in 28 countries, including Britain, America, Germany, Israel, Australia and the former Soviet Union. They are being simultaneously placed on the Internet.

Anyone recognising a name will be asked to contact the banks via a free telephone number in an effort to resolve what has become an embarrassing and damaging affair for the Swiss banking community.

Jeffrey Taufield, of the New York public relations firm Kelst and Company which acts for the association, said it was a "real example of Switzerland's commitment to be responsible and honourable in undertaking what must be done."

"We are literally reaching out to all corners of the world in an attempt to identify Holocaust survivors and their heirs."

The list covers all the accounts that have been dormant since the end of the Second World War, which were opened by non-Swiss citizens before 1945. A second list of accounts will be published in October of dormant pre-1945 accounts opened by Swiss residents, who may have acted as proxies to hide the assets of European Jews and others threatened by the Nazis.

The drive behind the initiative has come from the Jewish community, who suffered particularly hard because many members died leaving no details of accounts held. Some banks are alleged to have demanded death certificates from families trying to make claims. But others may also benefit. A previous search showed accident victims to be among the dormant account holders.

Greville Janner, chairman of the Holocaust Educational Trust, said many of the names would be dead, but at least their heirs would have a chance to recoup the family inheritance. "We have been begging the Swiss authorities for over a year now to do this. Their action contrasts with the obstruction and evasion which greeted needy refugees

who approached the banks for their money immediately after the war. If banks had ever seriously looked for owners, then, they would have saved years of suffering for thousands of people."

Sebastian Kornhauser, from south-west London, who is trying to trace the assets of his grandfather Jan, said it was a good sign. "Better late than never, but it is very much belated. This should have happened years ago."

But the problem of tracking down rightful owners are legion. Among the names on the list is a Paul Mayer. Paul Mayer, 85, of north London, said yesterday that he had no idea if he had a claim. His Jewish stepmother died after being arrested in Germany at the beginning of the war and her second husband was held in a concentration camp, although he was not Jewish, and died of natural causes a few years later.

Mr Mayer said he would not want any money for himself. "It should go to Jews or to Jewish charities to help people in need. I am going to wait to see the advert before deciding what to do."

The Holocaust Educational Trust in London has opened a hotline (0171 222 5115) for anyone who wants advice.



Crime and punishment: Erich Priebke (left) who was sentenced yesterday to five years' jail for the Ardeatine Caves massacre, and a victim's relative (right) in court with a sign that says 'Captain Priebke, the living and the dead demand justice'. Photographs: AFP AP



Coverplan

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Old Balkan foes to meet for football shoot-out

Belgrade police tightened security for tonight's European Cup qualifying round clash between Partizan Belgrade and Croatia Zagreb. Partizan took out life insurance for players and spectators, although Croatian fans are barred from the match. It is the first sporting contact between teams from Croatia and Yugoslavia, now comprising Serbia and Montenegro, to be held in former Yugoslavia. The teams met in the former Yugoslav League before the war of the early 1990s. Extremist fans – such as Partizan's "Grave-Diggers" and Croatia's "Bad Blue Boys" – joined the most notorious paramilitary units, fighting each other on the fronts.

Reuters - Belgrade

Tsarist statues take drubbing

Russia's Prime Minister, Viktor Chernomyrdin, ordered security forces to make every effort to halt attacks against statues and other monuments in the capital. Several attacks have been against monuments honouring the tsars, with hard-line Communists claiming responsibility. Other attacks appear to be vandalism.

AP - Moscow

Gorilla is a hit bar none

Max the gorilla, back on his feet after being shot by a robber on the run, has become South Africa's latest cult figure. He was released into his enclosure at Johannesburg Zoo and reunited with his mate Lisa for the first time since his ordeal last Friday.

Reuters - Johannesburg

Vincent Hanna

Vincent Hanna, creator of the by-election as political theatre, was one of life's glorious immoderates. He ate immoderately, worked immoderately, read avidly, talked incessantly and, in general, lived every day with an innocent relish for people and events that exhausted many of those around him. One of the most richly and variously gifted journalists of his generation, he simply did too much for too long. Until yesterday, he never stopped.

Unlike most stars of the media, Hanna had had another career first. He was born near the Falls Road to a well-off Catholic Belfast lawyer, Frank Hanna, who was Labour MP for the area until 1965. The household was fiercely political, though not sectarian; of five children, all became lawyers in turn, and Vincent specialised in civil rights and industrial injuries cases for seven years, while pursuing a serious hobby as a guitar-playing folk singer.

Then, in 1970, he set off for London, to finish a doctorate at the LSE, where his jobbing journalism was spotted by the dominant editor of the day: Harry Evans hired him to the *Sunday Times* as an industrial reporter. Hanna's conversion to journalism was immediate and total: he is remembered on that paper as a frantically hard and enthusiastic worker who irritated lazier and less committed colleagues. He moved to the BBC to *Tonight* and then, when it was

launched, to *Newsnight*, where he first became a national figure.

Above all, he became the great ringmaster and one-man impresario of the by-election as a kind of national political circus. Portable videotape meant Hanna was able to pursue, baffle, hector, harass and occasionally ridicule hapless by-election candidates in towns and shires across the country – and deliver up-to-the-minute material for that night's programme. His sardonic, musically literate little films introduced hundreds of thousands of people to the theatre and poetry of politics, while simultaneously infuriating some of the politicians who found themselves 'Hanna'd'.

These films, his greatest achievement, comprised a new kind of political reporting, much copied and never rivalled, which ended forever the era when parliamentary by-elections were obscure and largely unreported contests. At one point a Labour whip complained in the Commons that he was behaving as if by-elections were held for his personal entertainment; on another occasion a Liberal organiser said: 'I think Vincent views by-elections rather as Nervs used to view the Roman games – something for his amusement.'

But what such criticisms missed was that Hanna was simultaneously doing a job for democracy – connecting voters and viewers to events that they would otherwise have mostly ig-

nored. Because of Hanna, by-elections became one of the ways in which the popularity and coherence of the (then Thatcher) Government was measured and discussed. Looking back now, it is hard to imagine some of those savage tussles of the time, when the SDP was struggling to break through, and Labour was half-engulfed by the hard left, without Hanna's pointed, impertinent and beautifully crafted essays on videotape.

He was, however, cordially disliked by some of his colleagues and some of his bosses too. His problems with management are the more easily explained: all his life Hanna was a keen trade unionist. He was brought up among trade union leaders and spent eight years on the national executive of the National Union of Journalists. In 1985 he led a one-day strike in protest at the shelving of a film about Martin McGuinness, saying at the time that journalists needed organisers: 'They are hopeless at organising themselves. Whenever two journalists are gathered together, you have an argument.'

Though twice wed, he spent most of his adult life married to Joan Fitt, the daughter of Lord (Gerry) Fitt and was a proud and devoted father to two

daughters. Outside politics, he was a fanatical follower of almost every sport the human race engages in; a passionate Francophile; and a lover of both music and food. But the words 'outside politics' and 'Vincent Hanna' don't really go together. He was a lifelong politics addict who, in the days just before his death, was utterly absorbed by (and optimistic about) the latest steps in the Northern Irish peace process. His head was ringing with the voices of scores of callers to his radio shows and his conversation was full of the intricate drama of Tony Blair's conversations with David Trimble.

After his *Newsnight* era, Hanna went into television production; helped create and starred in *A Week in Politics*; advised large cities and trade unions; hosted late-night television shows; and, rather late in life, discovered a great talent for radio. On Sunday, he was discussing the *Independent's* coverage of the Versace murder and Northern Irish politics with his usual gusto and good-natured aggression on BBC Radio 4's *Medium Wave*. His ferociously fast banter just before going on air had fellow guests in stitches.

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One of the great characters and performers of post-war British political broadcasting, Hanna packed more into his 58 years of life than most people would get into 88 and his sudden death leaves an unfilable, Hanna-shaped hole in this country's political conversation. It brings an unexpected silence where we could not imagine silence falling.

Andrew Marr

Vincent Leo Martin Hanna, journalist and broadcaster; born Belfast 9 August 1939; admitted solicitor of the Supreme Court 1964; Industrial Relations Correspondent, *Sunday Times* 1970-73; political journalist, BBC IV 1973-87; founded ViewPoint Associates Ltd 1987; married secondly 1975 Joan Fitt (two daughters); died Belfast 22 July 1997.



Hanna: a lifelong politics addict and one of the most variously gifted journalists of his generation

His first name seemed to suit him, especially in his remote Kentish setting, where things seemed happily Virgilian in beauty and ruralness.

Felix Barker may have been a London journalist and a historian of London, but his roots were in the Plantagenet Wealden hall-house discovered and restored by his father and it was there that friends of his later years will remember him rather than in the pubs of the old Fleet Street or the theatres and cinemas of the West End.

Looking back over his 80 years, there seems a satisfactory pattern to his life. He was born in 1917, and died two weeks ago with 50 years of marriage and a single year as a grandfather behind him. After a serious illness he rallied, as if to welcome the longed-for child; then died at home in his sleep, after a gentle decline, as it now seemed that his son's son had arrived.

His ashes were scattered on the lake he had made himself, an idyllic place with its birds and surrounding trees; beyond it, a large plantation of willow trees which were felled every 17 years to make cricket bats, then replanted. Opposite, a crumbling, picturesque watermill.

His father was an architect,



Barker: insatiable curiosity

also a skilled craftsman, carpenter, lithographer and water-colourist – who brought the house to life in a Morris-like way, solving, with imaginative flair, the problems of how to make a 15th-century building habitable in modern times. His remarkable way with windows from an age before glazing was used as was then a lesson in ingenuity. Felix and his wife knew every inch of the house, hospitably pleased to show it even to interested strangers.

Felix's mother, well known under her own name of Patricia Russell, was a photographic

er, who, while training in London during the First World War, specialised in photographing recruits just off to France. Her pictures must still be cherished in many homes.

As a small child Felix spent long periods with his parents in France and Italy, then went to Felsted School in Essex, one of the first schools to be involved in the English-Speaking Union exchange scholarships.

As one of the first scholars, he was sent for a year to the Choate School at Wallingford in Connecticut, where John F. Kennedy was in the year above him and Alan Jay Lerner an exact contemporary. It was a golden year. He met Gershwin and Thornton Wilder and plenty of others, his extrovert nature and expansive personality making him exactly the kind of boy to profit from such a visit and impress his hosts – not all of them, at that time, pro-British.

Home again, he went straight into the newspaper where he was to spend, except for the war years, his adult life, the London *Evening News*. An article on school life impressed the editor enough for him to be taken on the staff at 19, where he rose from junior news reporter to chief feature writer,

drama critic and film critic. As president of the Critics' Circle he was one of the few Fleet Street writers who dealt with theatres and cinema at the same time, a combination that would have exhausted anyone less buoyant. Yet at the same time he was writing books.

The *Oliviers* appeared in 1953, *The House That Stole Built*, a history of the Coliseum in 1956. His major books were: *London: 2000 years of a city and its people* (1974), written with the architectural historian Peter Jackson, and *London As It Might Have Been* (1982), written with the librarian of Guildhall, Ralph Hyde.

In Barker's years of busy retirement, London was his central interest, and among the experts his knowledge of its history and his familiarity of its landscapes (particularly the City) were highly respected. His last book, after a number of others on the capital, was *Edwardian London* (1995).

A thorough professional, he wrote with elegance and charm, at once amusing and serious. His writing was like his talk or his letters – jaunty, entertaining, well-tailored, but with its moments of feeling and even of tenderness. And his compa-

ny was the same. The big frame, the good face, the warm eyes, the exuberant but never exhausting presence; his friends will never forget them, or the charm, the humour, the sheer fun of being with him. But all this was not a superficial quality, a journalist's homomeric or a theatre man's gush.

Felix Barker was a man of wide culture and insatiable curiosity, with a deep knowledge of history and sense of the past. His company was stimulating. Without parading it, he knew much about many things – hydrodynamics in lakes and mills, for instance, medieval life and building, the making of cricket bats, characters of all sorts, from Tuffie Marx to London criminals, country life as well as metropolitan.

Isabel Quigley

One of Felix Barker's most important tasks as a reporter for the *Evening News* came with the 1936 Crystal Palace fire; and only a few months later, still only 19, he was appointed the paper's drama critic for amateur productions. His last book, after a number of others on the capital, was *Edwardian London* (1995).

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At the outbreak of war he had joined the 51st Highland Division (the Gordon Highlanders), engineering a transfer as soon as possible to the Balmoral, the regiment's concert party run by Capt Stephen Mitchell, the London theatre manager, with Ian Carmichael and Bunny Playfair. When Barker, who joined the Army as a private and left as a sergeant, went to France with the Balmorals on D-Day plus six, he turned his hand to making costumes for the male cancan dancers, using discarded parachutes.

Even before the Second World War, when Barker was the *Evening News'* deputy reviewer on films and plays, the ninth Earl of Bessborough, himself a theatre addict, would fondly recall the breezy arrival one day at Stansted Park, Bessborough's historic pile in Hampshire, of young Barker at the wheel of an open-top car with Charles Morgan, the novelist and playwright, then chief drama critic to the *Times*, a wind-blown companion.

Barker never missed such architectural or historical opportunity or the chance to improve his own place when it came into his possession. Almost alone he excavated part of the lawn at Watermill House to create a small lake with an island for his large circle of friends to enjoy at Christmas.

No one paid greater heed to the advice of Polonius about friendship. Barker kept scores of friendships going from boyhood, partly through the agency of friends to enjoy at Christmas.

Until the *Evening News* fold-

ed in 1980, Barker was one of the busiest stage and film critics of his generation, phoning in his theatre notices between press shows and still 'catching' up on any stately home that happened in his path.

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While still reviewing for the *Evening News*, Barker broadcast a weekly programme on the theatre for BBC in 1977 and 1978. His books ranged from *The Oliviers*, the first – and I think

still the best – biography of Laurence Olivier and Vivien Leigh to *The Black Plague Guide to London* (1987), written with Denise Silvester-Carr and republished last year as *Crime and Scandal* – a guide to 'the den of iniquity and abodes of infamous people who have lived in London'. Among them were 'Agitators, Blasphemers, Deviants, Fanatics, Impostors, Malcontents, Necrophiliacs, Satanists, Sodomites, Tralfotons and Whoremasters'.

As sometime president of the Critics' Circle and chairman of the film and theatre sections, Barker could be counted on to raise the head of steam for an cause from battles with the Censor or the managers of anyone trying to muffle what he saw as the rights of reviewers.

Every year or so this most garrulous of critics gave parties at Watermill House. He relished them and they left hundreds of departing guests feeling slightly grander than when they arrived.

Richard Felix Raine Barker, writer, theatre and film critic; born London 7 May 1917; married 1950, *Andrea Porteous* (now *Götz*; one son, and one daughter deceased); died 11 July 1997.

Felix Barker

encounter with the rich and powerful, which he won. His second, he lost. Jimmy the *chevalier*, shocked by the cost to the French of medical drugs, investigated the subject and proposed their manufacture at a fraction thereof, but his enterprise was bought out, at a price, and crushed. This experience may have soured his idealism and conditioned his cynicism and contempt for government and big business.

I watched Jimmy's increasingly garrulous affairs. Around 1978 we agreed that Sam White, the Paris correspondent of the London *Evening Standard*, whose column regularly chronicled his career, could write his biography. I bought Sam a tape recorder. Unfortunately Sam was sedentary at the bar of the Crillon, and Jimmy, not yet with his own 747, was never still. Their only interview, later seized by a court order – but not before I had played it to Richard Ingrams, then Editor of *Private Eye* – was drowned out by the sound of the clicking of ice cubes and the whoosh of soda in Sam's whiskies.

Laura, whom I had just married, and I were invited to Jimmy's establishment in Richmond to discuss a replacement. He sat her on his right and enchanted her. He wanted to show me his list of journalists. I asked for the names of those in that profession not on this list. There were two. One was Patrick Huber, whom I secured for £1,000 advance.

Three weeks later he had left his City Editorship of the *Sunday Telegraph* and was working for Jimmy, who had seduced him with a car and a chauffeur. Then he was killed in a crash in his sports car. I never recovered my advance.

When Harold Wilson knighted Jimmy for services against *Private Eye*, who he was suing for criminal libel, I thought it my duty – and inclination – to interfere as a friend of both parties, being a director, since its beginning, of that organ.

Jimmy asked me to tea – an elegant affair with all the kit, which quickly moved on to gin and tonic and bargained me about the perils of his enemies in the press and described in ghoulish detail how he would destroy them. In vain would their tearful wives plead for mercy, etc.

Jimmy was not joking. I knew he had retained every private detective in *Yellow Pages*, ruined my friend John Addy, and possibly caused the death of the senior partner of a grand firm of Jewish solicitors. Indeed, one of that ilk, Arnold Goodman, not a nervous man, to whom I had appealed for help, not only refused but urged me to leave the kingdom as it was "diving into a nest of crocodiles".

I told Jimmy that Richard Ingrams could not be brought down, if only because he would enjoy martyrdom and relish the flames as they licked the soles of his feet. Besides, I added, he was an amusing fel-

low and why didn't we all have lunch?

Jimmy, a great man, switched.

"Ring him up," he said.

"I did there and then, but Ingram's would not play."

Nevertheless I attended a court case. As I approached Jimmy, the lawyer Levee said to him: "Don't talk Anthony Blond!"

Jimmy ignored him.

"I had a dream last night," Jimmy, I said, "and your father said to me: 'Tell Jimmy to give up this case!'"

Unblinking, Jimmy replied: "And I had a dream last night Anthony, and my father said to me: 'You go with it, boy!'"

You could not win with Jimmy Goldsmith.

Place where employee is employed is a question of fact

LAW REPORT

23 July 1997

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fashion

Berardi's Paris

Antonio Berardi (below) is fashion's Next Big Thing, so says everyone, including American *Vogue*. British, 28, and just two years out of Central St Martin's, he has already had offers to design for major houses in Paris and Milan. Here he reports on this month's Paris couture, a special eye on the catwalks where soon he will loom large. Photographs by Jon Fischer

This month I finally discovered what *haute couture* meant. For years I've lived with the notion that it was one of two things: first, pieces of such meticulous beauty that they were never really meant to be worn, but to be handled with white gloves, wrapped in acid-free tissue paper and stored in temperature-controlled rooms, rather like a fine rolled Cuban cigar; or second, pieces of clothing of the highest order, delicately sewn together (as in Walt Disney's *Cinderella*), embroidered and encrusted with jewels as if by magic, and worn by continually grinning *grandes dames* to audiences to which the camera does not allow us ordinary folk.

I was right on both counts, or I saw wondrous creations, fit for museums in some cases, creaming to be worn in others, but, strangely enough, a far younger audience than had anticipated – though I was elbowed in the ribs by more than one surgically-enhanced grandmother, adamant that nothing was going to get in the way of her and her *auto couture*.

One lady I had the good fortune to meet over dinner, Andy Schreier, is an American collector of couture (she regards Azzedine Alaïa as her closest competitor). She rarely buys things to wear. She collects because couture is a precious commodity, and she keeps her purchases wrapped up for designers and researchers to view. Collectors like her keep the skills of the artisans, the backbone of *haute couture*, alive and preserved.

Couture is no longer about clinging trends – we now have ready-to-wear to do that. It is fantasy, escapism for the designers and an effective way of selling cosmetics and perfumed products. Fortunately the Brits are holding the reins, as history has proved, we're not very good at letting go, one may continue to thrive. The vocabulary of couture is inextricably tied to certain words, which strangely enough best describe the work of several of its masters:

Intricate would be Dior, which with the seemingly unstoppable force of John Galliano at its helm produced an altogether stunning collection. In a frenzy of Mata Hari meets Edwardian, the references came so thick and fast that at times they were hard to keep from Lautrec to Mucha.

Klimt, *Belle époque* maharajas stalked the Bagatelle ardens (complete with fountains and suspended chandeliers) in suits of grey tweed, ipping with fox fur and jewelled. There were filigree diamanté handbags, ankle bracelets and a variety of finery – all exquisite – and, most genius of all, stretch boots that looked dacted like stockings, supported by teetering red lacquered by Manolo Blahnik.

Oblique goes to Jean Paul Gaultier and his Russian Orthodox-inspired collection.



PHOTOGRAPH: KENT BAKER

there, as were the stalwart classic wrap dresses of yesteryear.

This was a collection meant to be worn, and the audience loved it. Nan Kempner, one of the women for whom couture is more important than ready-to-wear, briefly shook my hand and smiled before Yves beckoned. She was whisked into the salon to take her seat long before the journalists. Here was his sternest critic, for should the collection be good, the designer would be rewarded with orders, far more important than a few lines of newsprint.

Refined could only describe Chanel. It was clean, and freed from the restrictions of over-embellishment, just as Coco Chanel would have wanted. The look was wanton: Miss Havisham meets Anne Rice, with wild hair and accessories. Karl Lagerfeld has the ability to piece together historic references to make collections that are intrinsically modern.

Ostentations: The Italians, Valentino and Versace, deserve a joint mention for the international flavour they bring to Paris. Although not traditional Parisian couture, this pair introduced an air of refreshing quality to the proceedings in a modern take on couture pieces ready-to-wear.

Versace buyers are the expensive jet set, with children and all, bottle-blondes doing the Euro circuit with fat wallets and a penchant for glitz. And glitz is what they got. Dresses that seemed to shimmer when still, catching any available beam of light as they moved. The clothes? A Byzantine mix: Joan of Arc meets Vionnet.

Like Versace, the master dressmaker Valentino showed an Eighties-inspired collection. This was, however, much more ostentatious than Versace's with feathers, dyed chinchilla, and a snakeskin cummerbund to hold them all together. Beaded flagging on leather skirts and jackets added to the drama of the collection, as did Cindy Crawford, whose robust silhouette swamped those of her fellow clothes-horses.

Perfection was Yves Saint Laurent, whose collection at first glance looked not a million miles away from Escada. I looked again and it all became clear. The craftsmanship was possibly the best of the week, and the make so subtle that the clothes seemed to have been untouched by human hands.

When he took over the reins at Dior in 1957, St Laurent single-handedly rejuvenated couture. He retains the standards of quality and perfection, with a faultless collection of simply beautiful clothes. Light to handle and with sleeves to die for, the tuxedo suits were still

From the top: red sheath dress with feather headdress, by Emanuel Ungaro. Left, pale tulip overdress with gold beading; right, brown duchesse satin, cape-backed floor-length dress; both by Chanel. Centre, liquid silver, draped toga dress, by Yves Saint Laurent. Left, liquid gold, draped minidress decorated with Byzantine crosses, by Versace

frou confections of lace and feathers. Narrow sleeves and shoulders gave the body an air of perfect grace and serenity.

Luxurious is Christian Lacroix. As each outfit emerged from beneath a red velvet concoction of braiding and tassels fit for a king, the sheer wealth of decoration hit me. Lacroix's use of all things bright and beautiful is unlike anybody else's. The fabrics are handwoven, exactly what I considered to be real couture. It smelt rich, and judging from the workmanship it was.

From a dress beaded in a tiger-skin design (head, tail and all) to a Russian coat, My favourite piece was a dove-grey, décolleté sweater dress.

Sumpthous would be Givenchy, where the youngest couturier on the scene, Alexander McQueen, produced an extravagant collection to take the viewer on a round-the-world trip.

Let's make no bones about it, here was a beautifully cut collection, from tartan suits and cut-out bird motifs (a nod to previous McQueen highlights) to a body-covering, rich coral plissé two-piece with black lace-trimmed shawl sleeves and a birdcage hat, complete with bird McQueen and rewarded with a pink trouser suit banded with white Chantilly lace, and a décolleté black kimono-sleeved bodice, embroidered in a Chinese style, twinned with a lace pencil skirt and finished with a huge silver Victorian bangle-style waist cincher.

The look was grand, as were the peregrine falcons who took their bows with the designer and his muse Honor Fraser.

Opulent describes Ungaro. Here was a collection that I was desperate to see, for I had heard that this man fashions his clothes himself, not on dummies but on real girls, and without the use of paper patterns. Chez Ungaro, everything is cut from cloth while the girls pose for the master. Once again here were beautifully crafted clothes ranging from bias-cut draped tartans, marked with Technicolor paisleys, richly encrusted, to frayed



Above, classic Dior grey tweed geometric jacket with built-in hourglass corset, worn with matching bias-cut skirt, by John Galliano for Christian Dior. Centre, blac bordello ball-dress decorated with flowers; far left, vivid orange duchesse satin bridal gown with full-length veil; both by Christian Lacroix. Left, classic McQueen touches - Dante beaded corset and leather cut-out skirt; centre, spiral-seamed mermaid dress with lace bolero and visor veil; both at Givenchy. Far left, richly embroidered Edwardian hour-glass jacket with beaded bell sleeves, with white mini-bustle-backed skirt and chevron pleated top, by John Galliano for Christian Dior; middle, Chinese-inspired, fur-trimmed robe; front left, Aran-knit ballgown; right, quilted elderdown Empire-line dress, all by Jean Paul Gaultier

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Yes, Mr Brown, this was praise well-earned

So, in the present disagreement between Gud Gordon and Sir City, the forces of the International Monetary Fund have sided with the Labour Chancellor. According to the IMF his first Budget is "an excellent start". Not entirely surprisingly, he agrees. Certainly, given the IMF's starring role in the collapse of the last Labour government, its judgement will be much relished in the Treasury. Is it possible that, in some sunless corner of that melancholy building (which it is impossible to visit without being reminded of some Victorian Institute for the Mentally Infirm) a bone-white gleam of triumph flickers across Mr Brown's pale countenance? It is.

For the IMF's blessing comes at a particularly useful moment. A couple of miles due east of the Treasury, there has been a rising rumble of hostility to Mr Brown's Budget. It has echoed through banks and insurance companies, and become the common conversation at wine bars and Conran restaurants. It hubbles from the inner conclaves of the almost-independent Bank of England, whose monetary policy committee is not wildly enthusiastic about the Budget.

In brief, the criticism is that Mr Brown should have raised taxes on consumers straight away, so checking the boom and preventing steady rises in interest rates. That would have reined in an unsustainably strong

pound and helped prevent a very hard time for British exporters, the effects of which will come next year ... just when the tax rises bite. Instead, his City critics argue, he has done things the wrong way around. The opinion-forming classes may have a better August as a result, using the strong pound to buy fine meals in French market towns; but the cost will be borne in lay-offs and misery during 1998. On this view, the Treasury's explanation that this is a Budget for the long term cuts no ice: the best way to have a successful long-term policy is to get it right in the short term, time after time.

Let us leave aside, for the time being, the rich ironies in all this - City critics attacking a Labour chancellor for not being tough enough on the middle classes, while he defends himself by pointing out how tough he's being on public spending. More to the point, who's right? We should note, first, that the City is not speaking with one voice. There are many senior people who take Mr Brown's side, arguing that the fiscal tightening needed to reverse interest rate rises would have had to be huge; and that the critics underestimate the effect of the tough control over public spending. However, the IMF also goes out of its way to warn of the dangers of the consumer boom, even suggesting new consumer taxes as one solution. Shrewd observers will remember that the argument about the right



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mix of policy, as between interest rates, taxes and public spending, never ends and is never resolved.

All that said, it is clear that the pound is unsustainably strong. It is clear too that public spending is horribly tight. And it is clear that the middle classes, particularly those with private pensions and substantial mortgages, are going to have a tougher time in the 12 months ahead, however much they enjoy their foreign holidays in the meantime. The changes to mortgage interest tax relief, which would have hardly been noticed by many had interest rates been stable or falling, will

smart in the present climate. So, after an early period during which the Chancellor of the Exchequer has been a darling of the media and popular in the country, gaining applause for his move on the Bank of England, and warm reaction for his Budget, Mr Brown is likely to enjoy the next phase rather less; and he won't be the only one. There will be pay problems in the winter. Some of those who voted Labour for the first time in May will be wondering whether they were right by next spring. And the pound may indeed be causing some lay-offs. We think, however, that this is pain

that must be gone through; and that the Chancellor will emerge looking stronger, not weaker. The early stages of the new regime for a more independent Bank were always going to be tricky. With its fiercely anti-inflationary mandate, it is more likely to keep policy too tight than too loose. It will make mistakes. So the first few "independent" hikes in base rates will cause opposition politicians, and some Labour ones, to protest that this was an economic as well as a constitutional mistake.

Then things will settle down. We will get used to a new world in which rates are not set by politicians - the same world in which most of the rest of the developed economies live. Tight though the expenditure plans are, the Treasury's early determination to keep public spending under firm control will pay off later in the political cycle. If Mr Brown can reverse the old trend, whereby Labour governments splurged early and were then obliged to raise taxes as the election loomed, he will be doing his party a signal service.

More important than any of that, however, is the fundamental Labour pledge to improve education and training. It is on that, as well as more conventional Treasury policies, that the Chancellor would wish to be judged. We remain sceptical about whether sufficient resources have been ruthlessly channelled that way; but it will be years

before we really know. In the meantime, a steady shift away from what has been called the middle-class welfare state, and towards schooling and the excluded, will be welcome. Mr Brown needed the IMF's blessing. He also needs the support of middle-class voters. But he is more likely to get that support, and keep it, by convincing them that he has a firm, long-term policy for low-inflation, high-education growth, than by trying to give them an easy 1998.

The operatic plot thickens

Luciano Pavarotti may not read *Il musicista*, but he certainly can sing. Sir Jeremy Isaacs is in a different league. He gets paid to be an opera house director - £10,000 a month - but has no opera house to direct, in fact is being paid as a TV producer while not directing an opera house. Before his contract ran out he left Covent Garden, which then (out of apparently unlimited public funds) paid a successor - for the few weeks she lasted. Sir Jeremy's successor but one, Mary Allen, is directing the opera house (vacating Covent Garden during its refurbishment) but is not being paid until September. There could be a lesson here. Or not, as the case may be.

LETTERS TO THE EDITOR

Student fees: nation must foot the bill

Sir: If the nation is going to benefit from a better-educated work-force, then the nation should pick up the bill for the educational fees. If graduates do truly earn more because of their degrees, then they already contribute more through the higher taxes they pay. Any expansion of higher education should therefore rapidly become self-financing as the new graduates embark on their careers.

The proposed undergraduate tax - for that is what charging students £1,000 a year in tuition fees is - looks like little more than yet another way of reducing government expenditure by transferring a universal tax burden on to a small group of people at the very time in their lives when they will need every penny they earn. This is grossly unfair, not least because it is a flat-rate tax to be levied regardless of either ability to pay or future earnings potential. Do we really believe that tomorrow's £25,000-a-year teacher should pay the same as tomorrow's £250,000-a-year lawyer or financier?

K OF AMES

Rodney Stoke, Somerset

Sir: It is misleading for Mark Tweddle and others (letter, 19 July) to suggest that Britain's higher education system is somehow less accessible than those of France and Germany. Only a small minority of those registered as students in those two countries actually graduate with a university award. The completion rates in Spain and Italy are even lower.

The universities of major European partners recruit vast cohorts of school-leavers and then eliminate most of them through an unforgiving selection procedure in subsequent years. British universities enable all those who apply themselves to their studies to graduate within the three or four years allocated for undergraduate courses.

Rather than emulate our continental neighbours, whose universities offer entry to all but prides to few, we must ensure that our students continue to benefit from a supportive learning environment at every stage of study. If all those who enter university can count on fulfilling study and look forward to graduating with a qualification of value, then they should not balk at a share in the financial investment that this will necessitate.

PAUL TAYLOR

*The University of Greenwich
Woolwich Campus
London SE18*

Sir: So the children of the poor will get their university degrees free, and quite right too. The children of the rich will have all their expenses paid by Daddy and Mummy, as usual. It is only the children of the middle classes who will set out in life crippled by debt.

They will no doubt respond either by dropping out or by going for the most lucrative jobs possible, and few will go in for ill-paid public service. How can society benefit from that?

P J STEWART
Oxford

Fit
Sir: I congratulate *The Independent* for opening a debate on university education in your leading article of 17 July and in particular I commend the subtlety of the challenge. Among the telling points



arc some carefully inserted silly ones, obviously designed to provoke response. I especially like the deliberate anachronism in the doubt whether an arts degree is an adequate preparation for a commercial career, and the clever choice of Spanish (of all subjects) to illustrate the problem.

If you learn Spanish you can advertise your products to over three hundred million people in their own language, and you can trade more directly with some 25 different countries. You can also address the huge and growing Spanish-speaking population of the US through their more intimate culture.

Spanish departments these days teach courses designed to meet the demands of the next century. My own department includes modules on commercial Spanish and Spanish in business, with a qualification presented by the Madrid Chamber of Commerce. It supplements language study with "cultural" elements such as Spain since the death of Franco, ETA, Argentines and the Falklands/Malvinas Islands, and society and development in Latin America. This is not to say that we teach only what is commercially viable, but that we give students the opportunity to choose "preparation for a commercial career".

PETER BEARDSSELL
*Professor of Hispanic Studies
University of Hull*

Sir: It is claimed that the desired expansion in higher education cannot be met by the public purse and young people will have to pay £1,000 per year towards their university tuition.

Universities are already in a dire financial situation and that £1,000

is needed in addition to government funding. Tuition fees should represent an additional source of income to the university sector, rather than a redistribution of payment between society and the individual.

NICK HAMM
Thames Ditton, Surrey

Spooks can be prosecuted

Sir: Your comments ("£1.4bn pile of junk through the letterbox", 17 July) on the latest annual report from the Data Protection Registrar quote the registrar's intention to examine "whether some aspects of the work of the intelligence services could be brought into the data protection fold", because "crime fighting ... may well fall under data protection laws", but omit reference to the most crucial element of his long-standing issue.

If an organisation should register under the Data Protection Act (for some or all of its activities) but does not, then the registrar cannot enforce the principles of good practice on which the Act is based, and individuals are wholly deprived of their rights established by the Act, including, for instance, the (qualified) right to obtain a copy of their personal data and to correct this information, if necessary.

All that the registrar can do in those circumstances, if appropriate, is to prosecute the organisation for non-registration (a criminal offence). In this context it

is perhaps worth pointing out that the intelligence services are not government departments and, therefore, could be prosecuted by the registrar.

FREDDY KOSTEN
*Data Protection News
Cap Gemini UK plc
London SW3*

Patent cruelty to animals

Sir: The European Parliament's decision to allow animals to be classed as patentable inventions ("Europe gives green light to gene law", 17 July) could lead to huge increases in animal suffering.

If the proposed directive becomes law in its present form, patents on small animals will become readily available. The British Union for the Abolition of Vivisection (BUAV) believes that this would provide a huge commercial incentive to animal genetic engineering. Genetic engineering is now the fastest growing area of animal experimentation, with 226,618 experiments being carried out on animals with "harmful genetic defects" in 1995.

Laboratory animals are genetically engineered to act as models of painful human diseases. Farm animals, already pushed beyond their natural limits, have been genetically engineered to grow quicker or bigger, and have suffered from ulcers, muscular weakness, poor vision and other

disorders as a result. Additionally, genetically engineered animals may suffer from severe, even lethal, unpredicted side-effects.

The classification of animals as "patentable inventions" goes directly against the growing recognition of the inherent value and rights of animals. This was emphasised at the recent EU summit meeting in Amsterdam where a protocol to the Treaty of Rome classifying animals as "sentient beings" was adopted by all member states.

The Council of Ministers will now consider the proposed directive. We urge the Government to take this opportunity to press for a ban on all animal patents.

MIKE BAKER
*Chief Executive
British Union for the Abolition of Vivisection
London N7*

Scotland still a sovereign nation

Sir: The Government tells us that the devolution White Paper "will make it clear that sovereignty will stay with the Westminster Parliament" ("Blair tells Scots to go it alone", 21 July).

The White Paper cannot do this. Sovereignty cannot stay where it has never been. This is not just a question of the sovereignty of the Scottish people. It is also a question of whether the Act of Union created a single

sovereign state or a political union

between two sovereign states.

The bulk of the text of the Act of Union rehearses things which the Westminster Parliament may not do. This is not a mark of a sovereign power. The Act of Union no more transferred Scottish sovereignty to London than the Treaty of Rome transferred it to Brussels. Any government attempt to change this would be a constitutional change so big that devolution would be trivial by comparison.

EADIE RUSSELL
*House of Lords
London SW1*

Coping with catalogue debts

Sir: Your headline "Catalogue debt sends women to prison" (17 July) could cause unnecessary concern to millions of women who purchase from catalogue mail order companies. It has not been open to a creditor to seek the imprisonment of a debtor in the manner suggested in the article since the latter part of the 19th century.

The traditional catalogue mail order companies provide credit in a responsible manner and only after careful assessment of the application received. Should a customer experience financial difficulties, then generally, if the company concerned is contacted at an early stage, attempts will be made to come to a suitable arrangement, thus causing as little distress as possible.

KEITH M TAMILIN
*Director
The Mail Order Traders' Association
Liverpool*

Invest in housing for the future

Sir: Polly Toynbee's article on rent levels (21 July) is not far off the mark. The funding regime for our members, the housing associations and trusts, has meant higher rents. I have observed the knock-on effects with growing concern, including a higher housing benefit and shrinking incentives for those benefit to take up employment.

Decent housing is critical to the success of policy areas ranging from social security and health to education and law and order. The Government's flagship policy, its welfare-to-work initiative, will face an unnecessary uphill struggle if those coming off benefit find their increased income swallowed by housing costs.

The last government White paper, *Our Future Homes*, showed that between 1979 and 1994 we continued to spend £1.8bn on all forms of taxpayer support for housing, but the switch from bricks and mortar to personal subsidy meant significant investment cuts, rocketing benefit bills and the poverty trap so eloquently described in Polly Toynbee's article. The technical complexities of rebalancing subsidy arrangements are huge, but we must start with clear strategic objectives.

Investment in homes rather than benefit must be a priority, lowering housing costs and creating an environment more likely to let people flourish.

Housing cries out for decent funding. The Government has made a welcome start, by releasing local authority capital receipts. Those of us who work in housing would urge the Government to think now about a long-term strategy to ensure that the nation is housed adequately and affordably.

J E COULTER

*Chief Executive
National Housing Federation
London WC1*

Home to bed, not parliament

Sir: Tina Thompson ("Feeding frenzy", 18 July) is quite right when she says that at 9.30pm small children should be in bed in peace and quiet. It has got nothing to do with "strenuous Victorian" values. It is simply the best for the child. Feeding time should be a quiet time where mother and child can concentrate on each other and not on a noisy debate. Being breast-fed in Parliament or the US Congress is not shocking, it is simply of no benefit to the baby.

E SOWELS

Gerrards Cross, Buckinghamshire

Gas vapours

Sir: One can but welcome Nelson Cunningham's concern for scientific literacy in environmental matters (Letters, 11 July). In the same spirit of accuracy, one should record that water vapour, in common with virtually all triatomic gases, is, in fact, a powerful greenhouse gas.

Without the benefit of the "benign greenhouse" effect caused by water vapour, the earth would have a mean temperature well below freezing. The other greenhouse gases, carbon dioxide, methane etc, add to the warming caused by the water vapour with a resultant enhanced greenhouse effect.

Professor E H BILLET

*Brunel University
Isleworth, Middlesex*

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He who pays the piper should call the tune. England subsidises the Celtic Fringes, says Neil Lyndon, so its citizens should also have a vote on devolution for its neighbours



Should the English feel responsibility for such events and figures from the past as Culloden (left), William Wallace (top), Robert the Bruce, and Oliver Cromwell? Mary Evans Picture Library

Let the English voice be heard

Alex Salmond is not readily discomposed. Master of his facts, sure of his arguments, the Convenor of the Scottish National Party – formerly an economist in the oil industry and then with the Bank of Scotland – usually emits a constant air of confidence. When, however, a particular question is voiced, his cheeks seem to blanch, his shade and his dark eyes flicker with alarm.

The question is this: Why are political and economic relations between the constituent countries of the United Kingdom to be determined solely by the wishes of the people of Scotland, Wales and Northern Ireland? If the people of England are the majority in the United Kingdom and if those other peoples depend upon England as the principal source of government wealth in the UK, shouldn't the people of England have a voice in the shaping of their relations with their neighbours?

Salmond's discomposure is momentary. He whips back an answer. "There is a case for a referendum on devolution for the whole of the United Kingdom," he says. Then he adds a

rider which characterises the peculiarly inverted logic with which debate about the future of the UK is often infected: "But if the UK voted against," he says, "then Scotland would have to have its own referendum on independence."

Salmond explains that a referendum in the UK might replicate the grotesqueries of the last days of the Soviet empire, when the Baltic states were pressing for independence and the question was referred to a referendum of the entire Soviet electorate. The result was that the Russian majority determined that the Baltic minorities should stay in their subservient place. This could not be allowed in the UK, said Salmond. If the English majority voted to retain Scotland under the powers of Westminster, the Scottish people could not be bound by that vote but must be given the right to determine their own sovereign rights in their own exclusive referendum.

Thus, as often happens in this debate, a blind 'haze' of argument is set running in circles of paranoia. On the face of it, Salmond's point seems fair: but the analogy upon which it rests is false. Scotland does not exist in political and economic

relations to England that are comparable with those of the Soviet Union and Latvia, Lithuania and Estonia. So far as anybody can tell, the majority of the people of England have no interest in enforcing political authority over Scotland (or Wales or Northern Ireland). So far as it is possible to see, the people of England are actively in favour of Scottish devolution. A proportion of them couldn't care less whether Scotland remains part of the UK or becomes an independent self-governing nation.

Very little evidence has been gathered to tell us what the English think about the future of the UK. During the past 30 years – since the revival of nationalist movements in Northern Ireland, the discovery of North Sea oil which rekindled demands for Scottish independence and the rebirth of Plaid Cymru – argument about the government of the peoples of the British Isles has been dominated by the voices of minorities in the Celtic Fringes.

In September 1995, MORI presented a paper to a conference at London's Guildhall University with the title "The Scots Want Devolution, but do the British?". Based upon sur-

veys of representative samples of people in England, Scotland and Wales, this document remains one of the only authoritative guides to opinion on the mainland, as a whole, of the British Isles.

Participants were asked the question "If a majority in Scotland voted in a referendum in favour of setting up a separate Scottish assembly, with some taxation and spending powers, do you think they should be allowed one, or not?" Sixty-eight per cent of English respondents replied "Yes, they should be allowed". Fifteen per cent did not know. Seventeen per cent said "No, they should not be allowed".

MORI's poll asked a further question which produced striking results. Asked which form of government for Scotland they themselves, would most like to see (as opposed to the form which might emerge from a referendum of Scots alone), 51 per cent of English respondents said they would like to see Scotland remaining part of the UK, but having its own devolved assembly with some tax and spending powers. The percentage of Scots who would favour that arrangement was 52 per cent, only one per cent more than the English. Nine per cent of the English even favoured the prospect of Scotland clearing out of the UK altogether and becoming a separate nation, an independent part of the European Union. Only 20 per cent of Scots favoured this option.

The English taxpayer's feelings about Scottish (and Welsh and Northern Irish) devolution or independence might be even more definite and ardent if he or she had a clear idea of the present costs and benefits to the UK Treasury of the Celtic Fringe peoples. Every body's views might be more

clearly focused if we knew the answers to questions such as "What does Scotland cost or contribute to the UK Treasury? Is Scotland in surplus or deficit to the rest of the UK, especially England? These questions touch on the most fundamental principles of democracy in these islands. The watchwords here are those of Lord Camden in a debate on the American Colonies in the House of Lords, 10 February 1766: "Taxation and representation are inseparable ... whatever is a man's own, is absolutely his own; no man hath a right to take it from him without his consent, either expressed by himself or his representative."

If Scotland produces more wealth for the UK than it consumes, then the case for Scotland to determine its own relations with the UK, for itself, is uncontested. Why should the rest of us have any voice in deciding whether or not another people should continue to subsidise us?

If, however, the true position is that England subsidises Scotland, it is true that every English taxpayer is providing benefits to Scottish citizens, then the question is reversed. Why should the Scots, as dependent beneficiaries, have the sole voice in determining whether or not they should continue to be subsidised? Should not the English taxpayer have a say?

"I love this debate," says Alex Salmond. "It's what I came into politics to pursue. There is no argument about the true position. Treasury figures this year confirm that the UK is in deficit to Scotland. Between 1979-1995, Scotland recorded a £27bn absolute sur-

plus of revenue over expenditure to the London Treasury." This figure depends upon an assumption of Scottish ownership of 90 per cent of North Sea oil revenues. Even so, he says, it is not the full sum of Scotland's subsidy to the rest of the UK, which needs to take account of Scotland's inequitable share of GDP borrowing.

But far from there being "no argument" about the true state of fiscal relations between Scotland and the UK Treasury, there is, in fact, nothing but argument. The document everyone talks about is the mildly titled *Government Expenditure and Revenue in Scotland 1994-5*, published in October 1996 by the Economics, Finance and Statistics Divi-

of £3,614 in England compared with £4,505 per head in Scotland. If you say that general government expenditure in England is 100, in Scotland it was 203 for trade, industry, energy and employment; 197 for housing; 131 for education; and 111 for law, order and protective services. In no department of government spending was expenditure in Scotland lower than in England.

In 1994-5, the fiscal deficit – the extent to which total government expenditure in Scotland exceeds tax revenues raised in Scotland – is estimated to have been £8.2bn, excluding North Sea Revenues and privatisation proceeds. Even if all North Sea oil revenue and output are attributed to Scotland, the 1994-5 fiscal deficit was still £6bn.

The SNP has denounced these findings as being politically motivated, saying "the results ... were presented by ministers as evidence that Scotland was subsidised by

its English majority?"

Alex Salmond blanches at this question. "It would not be an edifying spectacle," he says, "to see Britain reneging upon its historical obligations and hang Northern Ireland out to dry. They (the peoples of Scotland, Wales and Northern Ireland) should be able to choose whether to be part of the UK, choosing their own destiny."

But why should they be given sole and sovereign right to exert that choice without an equal and reciprocal right being extended to the people of England to say whether or not they wish to continue paying for the peoples of the Celtic Fringe? What are these historical obligations? Alex Salmond sees as being binding? Wallace, Robert the Bruce and Glencoe? Cromwell, the Battle of the Boyne and the martyrs of the Easter Uprising? It would, indeed, be most revealing if the people of England were to be asked to say what degree of interest, let alone of personal obligation and responsibility they felt for those historical events.

In his recent book *On History*, Eric Hobsbawm has written "history is the raw material for nationalist or ethnic or fundamentalist ideologies as popes are the raw material for heroism". Perhaps the debate about the future of the United Kingdom could be considered too important to be postponed in the quagmire of history and "historical obligations". If Britain's constitutional arrangements are to be effectively modernised according to democratic principles, the question of fiscal relations between the neighbouring peoples of these islands offers more than enough for them to argue about. One of those peoples is the English. They ought to have a voice.

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Current Accounts: Interest paid quarterly		Gross%*	Net%*
Business Plus Account	Instant access.		
£250,000+		4.25	3.40
£100,000 - 249,999		3.75	3.00
£50,000 - 99,999		3.15	2.52
£10,000 - 49,999		2.65	2.12
High Interest Cheque Account	Instant access.		
£10,000+		3.65	2.92
£2,500 - 9,999		2.40	1.92
Current Extra Account	Instant access.		
£10,000+		0.75	0.60
£5,000 - 9,999		0.50	0.40
Savings Accounts: Interest paid annually			
High Interest Investment Account	* 30 days notice.		
£100,000+		5.85	4.68
£50,000 - 99,999		5.35	4.28
£25,000 - 49,999		4.75	3.80
£10,000 - 24,999		4.00	3.20
£5,000 - 9,999		3.25	2.60
£2,500 - 4,999		2.00	1.60
Summit Account	7 days notice.		
£100,000+		4.25	3.40
£50,000 - 99,999		3.75	3.00
£25,000 - 49,999		3.25	2.60
£10,000 - 24,999		2.00	1.60
£5,000 - 9,999		1.25	1.00
Demand Deposit Account	Instant access.		
£50,000+		2.50	2.00
£25,000 - 49,999		1.75	1.40
£5,000 - 24,999		1.00	0.80
£1,000 - 4,999		0.25	0.21
£1 - 999		0.25	0.20
TESSA*		6.50% per annum	
Follow-up TESSA		6.75% per annum	
£5,000+		6.25% per annum	

* Gross rate: the interest rate before deduction of lower rate tax.

+ Net rate: the interest rate after deduction of lower rate tax.

* High Interest Investment Account: interest paid quarterly.

* TESSAs: rate effective from close of business 31 July 1997.



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Funny business on the classroom circuit

I was up in London the other day, trying to find out which was the first train I could decently come home again on, when who should I bump into in the purloins of Soho but my old friend Adrian, Wardour-Street, doyen of British PR. "Adrian!" I cried. "What new devilry are you up to?" He winced at my rural heartiness and dragged me into a place where they sell very strong coffee in very small quantities.

"Buy me an espresso and I will tell you," he said. "But speak softly, first I was at the River Cafe last night till late."

"Good heavens!" I cried.

"Does the River Cafe really exist?" Provincial folk thought it was a joke manufactured by Londoners to make us jealous!

"No, no," he said. "It exists. It is not very real, but it exists."

"And where is it? I have no idea."

"Nor I," he said. "I've only been there at night, by taxi."

"So tell me, Adrian, what are you up to now?"

He looked round cautiously.

"I have a small child in tow."

I looked round, baffled. "Metaphorically," he said. "A new client..." "Surely you're not talking about that 12-year-old girl who has had a baby?" I exclaimed. "In any case, I thought Max Clifford had taken that one over?" "So he has," muttered Adrian, crossing himself as he heard the cursed name. "No, I have something better than that. I have the world's youngest stand-up comedian on my hands. She is ..." He paused for effect. "... eight years old." "Eight-year-old comedian?" He nodded gloomily. "It isn't just mothers who are getting younger. It's comedians too. We used to think that the Frauk Skinner lot were young. Not any more. Victoria Pesto is eight years old and what's more, she's out working on the circuit already."

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"So tell me, Adrian, what are you up to now?"

He looked round cautiously.

"I have a small child in tow."

Adrian relentlessly, "... and then, when she thought your attention was distracted, just vanished, right? And you saw your mum had gone, and you thought to yourself, 'that's it, I am five years old, my mother has gone and I now have to fend for myself, for the rest of my life, and the only person I have to help me is a teacher who is plainly off her push chair because she is saying, 'Victoria, how would you like to learn how to make a little doggy out of spaghetti hoops?' and I want to say, 'Lady, you are exactly the kind of incompetent teacher that David Blunkett is going to leave on the doorstep for the him to take away,' but I can't, because I am in this madwoman's power, so I say to myself, 'I have been abandoned by my mother, I have two choices, I can cry non-stop for the rest of the day or I can do really wicked things in my underwear'..." "Stop!" I cried. "I cannot believe this!" "This girl is barking back to her pre-school days." "I don't believe it!" "Oh, sure. After all, it's the only material she knows first-hand. She has one routine which starts: 'Hey, do you remember your first day at school? Wasn't that a pisser?'" "I don't believe it!" "Do you remember the way your mother brought you to the door of the classroom?" continued

"What kind of a routine can an eight-year-old girl do about gay clergymen?" "It goes a bit like this," said Adrian dully. "Hey girls, want to know how to get the wind up your mother? Just say to her, 'Mum, what's a gay clergymen?'. And she'll say to you, 'Well, dear, when two men are very fond of each other...', and you say, 'Oh, Mum, I know what gays are! What are clergymen?' And she'll be so freaked out by thinking that you know all about sex and nothing about religion that she'll demand that your father gives you a God talk! Can you imagine? Your embarrassed father saying, 'Well, have you ever wondered where the birds and the bees come from?', and you saying, 'Well, father, I imagined they evolved from primitive flying organisms...' and him squirming because it is so embarrassing for him to talk about God, more so than sex ever was'..." "Stop!" I cried. "I want to hear no more!" "You will," said Adrian grimly. "You're going to hear a lot more of her before she is very much older."



Miles Kington

are never called Fatty?" or "Remember how there was one hoy in the class who farted?" "Sort of..." "This girl is barking back to her pre-school days." "I don't believe it!" "Oh, sure. After all, it's the only material she knows first

The Siberia pact is a chilling omen for Hague

Well, we missed it. While the Treaty of Novosibirsk was being hammered out, the British press corps was fast asleep. Round and round the parked prime ministerial aircraft walked Tony Blair and Paddy Ashdown, keeping carefully inside the red lines Russian immigration officials had painted on the tarmac.

In the early morning sun-shine of Siberia, as the hacks snoozed through the stopover on the way back from Hong Kong, the two party leaders negotiated their subversive agreement. Its ultimate significance can only be judged years hence; but, unlikely as it may seem, Novosibirsk may take its modest place alongside Maastricht and Limehouse as the unlikely scene of a deal with huge consequences for British party politics.

It may not seem very much, the creation of a "joint cabinet committee" comprising six members of the governing party - Tony Blair, John Prescott, Gordon Brown, Jack Straw, Robin Cook and Ann Taylor - and five from the Liberal Democrats, including Ashdown, Menzies Campbell and Bob MacLehane. Whether it can reasonably be called a "cabinet" committee at all must be questionable. Is it, therefore, simply another talking shop, which will meet irregularly and go nowhere - a sop to the Lib Dems? Well, the treaty-makers don't think so; and nor do the seething critics of the deal in both parties.

This agreement was not forced on the Prime Minister by the electors. It is not a case of politicians being pushed together in a shotgun alliance. On the face of it, Blair has opened the door of government to a party that received far fewer votes and seats than him, and agreed to discuss some of the most sensitive issues with it.

In fact, both Blair and Ashdown have taken a considerable risk. By including the Liberal Democrats in formal discussions on constitutional reform - continuing in government talks which began in opposition - Blair knows he will alienate some in his party. There are senior and vociferous, though so far private, critics of this whole business. Furthermore, Blair now exposes himself to a high-profile walkout if he re-edges on any key part of the reform agenda - the Lib Dems could "do a Heseltine". One day, that might be damaging.

Ashdown, by contrast, risks incorporation. One of the most striking and repetitive themes of the new administration is the way in which it reaches out and pulls possible critics or opponents into its embrace. Outspoken business leaders; newspaper owners; vocal and popular leftists (like Tony Banks); pundits; all have been offered chats, access and sometimes jobs.

Is this soft, dissenting embrace simply being extended to the Liberal Democrats, as the main non-Labour voice of radicalism, in order to defuse a possible source of embarrassing parliamentary opposition? Is it all about lulling them to sleep? Lib-Dem critics will say yes, of course; Mr Ashdown will be under



Andrew Marr
One has to conclude that Blair and Ashdown meant what they said about a new style of politics

pressure to demonstrate that his party is as wide-awake as ever, by encouraging it to attack Labour fiercely where the two do not agree.

These risks are hardly lessened by the fact that the two parties are going to be talking about policies they may quarrel over. Once the parties get down to the nitty-gritty of the membership and agenda for the commission on electoral reform, for instance, there is ample room for serious disagreement. Ditto Scotland, Lords reform and the Bill of Rights.

So why, given the risks, did the Siberian compact happen at all? Blair didn't have to do this. Ashdown has no pressing need to get into a row with some of his more traditional MPs and party officials.

One hesitates to say this. As a hack one is pre-programmed not even to think it. But one is driven to the inescapable conclusion that Blair and Ashdown meant, all along, exactly what they said: that their rhetoric about pluralism and a new style of British politics is sincere; and that they are long-term politicians in every sense.

That does not mean that cold political advantage is irrelevant. Far from it. Unless this is a false Siberian dawn (which I doubt), it is another stage in a reshaping of politics which is largely in Blair's interests and in the interests of the reformist, pro-European and liberal politics which Ashdown also represents. As Peter Mandelson said in his book *The Blair Revolution*, members of the two parties "want to right the same wrongs, to end the same injustices" and their remaining differences "are becoming increasingly blurred".

Now we have, as of yesterday, a situation where those members share what is effectively a common leadership on some of the main questions of the day. Today, the constitution; tomorrow, surely, Europe too.

Just think what that means for yesterday's ruling party. Already some moderate Conservatives are in near-despair about their leadership and medium-term prospects. If William Hague is naive enough to continue to push the anti-Brussels, anti-reform agenda very hard, he will find people peeling away. Some such private discussions have already begun.

At that point, an invulnerable-seeming alliance of moderate and pro-European politicians, running right across from the old Tory left to the old Labour centre, would start to emerge under Blair's leadership. Unless they changed their tune, the Conservatives would be in danger of shrivelling to a dissenting faction - a party of spleenetic commentators - and the traditional markers of party politics would blur.

Whether, in the long term, that would be good for democracy, I rather doubt, though dissent and criticism will always bubble up somewhere. But it would clearly be good for New Labour, and the Liberal Democrats, and all their supporters in the country. At first sight, the Treaty of Novosibirsk looks innocuous and small. It is neither. Wise opposition MPs will sniff the wind from Siberia, and shiver.

It is this, dissenting embrace simply being extended to the Liberal Democrats, as the main non-Labour voice of radicalism, in order to defuse a possible source of embarrassing parliamentary opposition? Is it all about lulling them to sleep? Lib-Dem critics will say yes, of course; Mr Ashdown will be under

Doctors must accept that they have to play God

Some years ago my father had a coronary bypass operation for heart disease. The first question the surgeon asked when assessing him as, "How old is your youngest child?" he unstated message was that patients with young families to care for would get priority. My father, who then had a nine-year-old daughter, got his operation in six weeks although he had been told the waiting list was four months.

That seemed to me then - in 1981 - and seems to me now a humane way to proceed. Of course I am biased. For all know someone else on the waiting list because the surgeon, the most eminent in his field at the time, helped my father to jump the queue.

Michelle Paul, the 15-year-old beret-wearing girl who suffered liver failure after taking half an Ecstasy tablet, was denied a liver transplant because someone else was judged to be in greater need. Yesterday, Aberdeen's Sheriff's court ruled that the decision was made on medical, not moral, grounds. The transplant surgeon, Dr Hilary Sankey, and her colleague at Edinburgh Royal Infirmary told the court that Michelle had suffered irreversible brain damage.

But Dr Sankey admitted that social problems such as drug taking had to be taken into account when considering which patients were suitable for transplant. Success is not achieved when the transplanted patient, with newly inserted organ, is discharged from hospital. There follows a strict lifelong regime of drugs and medical tests, that must be followed rigorously if the organ is to last. Doctors have to make a judgement about whether the patient is capable of following such a regime. Is it a medical or a moral decision?

There is intense debate about these affairs within transplant units - and you'd them. Sir David Carter, the chief medical officer of Scotland and former director of the liver unit at Edinburgh Royal Infirmary to which Michelle Paul is admitted, said last year that a back-

It is right that surgeons deciding who should receive transplants should consider social factors, says Jeremy Laurance

ground of drug or alcohol abuse in a patient "coloured the thinking" of surgeons assessing them. Alcoholics would be required to stop drinking for at least six months before their case for a transplant would be considered, he said.

Sir David was asked if this did not amount to playing God. His response was instructive: "I think that's inevitable if you practise medicine. We are making clinical decisions that affect life and death all the time. Part of the calculation of risks and benefits involves the setting to which the patient returns and the ability they have to cope medically and socially with the pressures."

Few doctors are prepared to speak as frankly as Sir David but all know that social judgements frequently intrude into medical decisions. Doctors have a responsibility to use limited NHS resources to the best effect. Sometimes, as in my father's case, a decision whether or not to treat (or how soon) has ramifications beyond the immediate patient.

The judgement becomes clearly moral when doctors attempt to assess the social worth of patients rather than limiting themselves strictly to calculating the benefit treatment can bring. This was the charge levelled by Michelle's grandmother, Margaret Pirie, who asked the doctors who had refused her grand-daughter a transplant why the former Rangers and England soccer star, Jim Baxter, whom she described as an "ex-alcoholic football player", had

been entitled to two liver transplants. Mrs Pirie claimed, in effect, that the doctors had rejected Michelle because she was a drug user with no social standing who had brought her problems on herself. The refusal of treatment on such grounds is clearly unacceptable.

A related row erupted in 1993 over the case of Harry Elphick, a 47-year-old smoker who was told by consultants at Wythenshawe hospital, Manchester, that they would not conduct a test to determine whether he needed heart surgery unless he quit his 25-a-day habit. He reluctantly complied but died before he could see doctors again.

Such cases have worried the profession. A BMA survey in 1993 found that one in four junior doctors said smokers and drinkers should get lower priority for treatment, prompting the association to warn doctors not to deny patients treatment solely because of their lifestyle, and to resist pressure to treat "low risk, high benefit" patients to obtain the best value for money. The only consideration for the doctor should be whether the patient was likely to benefit from the treatment, it said.

The BMA is right to insist that doctors strive to ensure that patients are in the best condition to obtain the maximum benefit from treatment. On that basis, doctors have successfully argued that social issues such as smoking are indistinguishable from medical ones. When resources are limited it is also right that they should choose who is to be treated (or how soon) on the basis of clinical need and the chances of success.

Livers are in short supply and it would be a dereliction of the doctor's duty to ignore circumstances which could affect the outcome of treatment. Whether such considerations should include the impact of treatment on the wider family, as in my father's case, is more controversial. Some argue that such decisions are too important to be left to doctors. The answer to them is that they are too important to be ignored.

Preserve the lewd labourer and other building sights

If the construction industry has its way, building sites of the future will be populated by polite, well-dressed men who avert their gaze when members of the opposite sex walk by. The Considerate Constructors' Scheme, launched last week, aims to improve the industry's image by outlawing sloppy appearance and lewd behaviour. Wolf-whistling labourers who wear their trousers at half-mast will be sent home by firms that sign up.

While the scheme will be greeted with relief by the legions of women whose hearts sink at the prospect of passing a building site, others will mourn the demise of a phenomenon that is as integral to the English summer as rain at Wimbledon.

We are talking, of course, about Builder's Clavagge, that vision of white flesh spilling out over an imprudently positioned waistband, that glimpse of a part of the anatomy rarely displayed outside the bedroom. Not the most edifying spectacle, particularly on an empty stomach, but surely a part of our rich cultural tapestry.

But builders are not just comical; they are a walking health warning. With those huge greasy breakfasts, mugs of tea with three sugars, and 40 fags a day, it is a marvel that they are actually alive. And if their caecals offend, imagine how addled their brains are on a daily diet of Radio 1. Remember too, that a rough exterior may conceal a sensitive, poetic soul. Beneath that dirty singlet may beat a heart yearning for romance.

Companies are already joining the new scheme, so if you come across a group of builders looking forlorn, don't be surprised. And if you want to raise their spirits, try those immortal words: "Cheer up, love, it might never happen."

Kathy Marks

Graduates turn their backs on corporate life

by Hamish McRae



For many high-calibre graduates, starting their own business is more attractive than climbing the company ladder

The alarming thing about huge pay-offs is what they say about the attractiveness of top jobs - fewer really bright people want them

best of the young prefer to be on their own.

But if this is good for one part of the economy, it also carries the gravest dangers for others. If our large companies have to pay more to keep their top people that is certainly a worry. But if they cannot hire the best of the young that is an even greater worry as inevitably they will shrink, losing even more jobs in the process. If even consultants and investment banks, those darlings of the 1990s, are finding it harder to recruit and retain they too will soon start that long, slow, painful process of decline.

There are two responses to this. One is to say that this is economic Darwinism: that the decline of the present batch of large companies is natural and inevitable, and we should just be relieved that new businesses are sprouting to take their place.

The other is to say: wait a minute, surely it should be possible for large enterprises both to think of better ways to plan changes in top management, and even more important, to create an environment which is more attractive to the potential top managers of 20 years' time. Meanwhile, next time you read of a golden handshake do not be outraged (well, not for too long); be concerned.

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**FINANCIAL JOURNAL
OF THE YEAR**

Arnault launches raid on GrandMet shares

Andrew Yates

Bernard Arnault yesterday opened a fresh front in his campaign to block the planned £23m merger between Grand Metropolitan and Guinness, by jettisoning shareholdings held in both the UK drinks companies through his French luxury goods group, LVMH.

In a move that caught the stock market completely by surprise, the flamboyant Frenchman launched a raid on GrandMet's shares and simultaneously started to reduce his holdings in Guinness. The move came less than a week after he made an embarrassing U-turn over his alternative plan to merge the drinks business of

all three companies and demerge GrandMet's food manufacturing and fast-food operations.

Dealers said yesterday that Mr Arnault probably spent more than £450m buying GrandMet shares, taking its stake in the company past 10 per cent. LVMH part funded the purchase by reducing its stake in Guinness from 14.2 per cent to around 12 per cent, raising more than £200m in the process.

According to an LVMH spokesman, Mr Arnault was prepared to carry on amassing shares in GrandMet and reducing his holdings in Guinness in an attempt to gain enough stock to block their merger.

"Mr Arnault and LVMH now have a variety of options and buying more shares in GrandMet and selling more in Guinness is one of them," the spokesman added.

Analysts believe that Mr Arnault could end up with enough shares to scupper the Guinness-GrandMet deal. "Mr Arnault is trying to scare GrandMet and Guinness into doing a deal with him. He would end up with around 18 per cent of GrandMet if he sold all his Guinness shares and bought GrandMet shares with the proceeds. That could well be enough to block a merger," said one leading drinks analyst.

To block the deal LVMH needs to

have at least 25 per cent of the stock owned by those GrandMet shareholders that attend a meeting to sanction the merger. At 18 per cent shareholding in the company could well be enough to carry the vote given that not all GrandMet's private and institutional shareholders are likely to attend such a meeting.

Mr Arnault is determined to force Guinness and GrandMet to accept alternative merger plans he formally tabled, and subsequently amended last week to create a £15bn wines and spirits business, comprising the Moët Hennessy part of his LVMH group, the IDV drinks arm owned by GrandMet and the United Distillers

business of Guinness.

Originally, Mr Arnault was seeking a 35 per cent stake in the new group but was now willing to accept a much lower stake, perhaps less than 30 per cent, to appease Guinness and GrandMet shareholders. But Guinness and GrandMet have spurned the proposal.

LVMH has chosen to increase its stake in GrandMet as it was blocked from increasing its shareholding in Guinness. "Mr Arnault undertook not to increase his shareholding in Guinness but there are no restrictions on him selling shares and he could sell his whole stake," a Guinness spokesman said yesterday. Mr Arnault had already spent more than £800m buying a 6.4 per cent stake in GrandMet prior to yesterday's raid.

Dealers yesterday said that BZW, LVMH's broker, was offering to buy three GrandMet shares for 63p as long as the seller was prepared to buy two Guinness shares for 60p. GrandMet's share price closed at 62p, up 16p on the day while Guinness' price slipped 9.5p to 59.5p.

"Mr Arnault could have financed the deal without selling shares in Guinness. But it would have been a tight fit and he has already spent a lot of LVMH's money to get a deal. This is a clever and sensible way to fund the deal," one analyst said.

The raid on GrandMet's shares came just 24 hours after he tendered his resignation from the board of Guinness. He has been at loggerheads with the board and Guinness' chairman, Tony Greener, since the UK drinks group informed him of its merger plans in May. "Mr Arnault's resignation is likely to be ratified by Guinness' board tomorrow. Now he is no longer a director he can sell more shares even though our closed season begins to-morrow," a Guinness spokesman said.

Mr Arnault is planning to woo institutional shareholders by holding a series of top level meetings over the coming weeks.

Comment, page 17

\$1.7bn deal makes BAT Mexico king

Sameena Ahmad

BAT, the tobacco to insurance group, is buying Mexico's largest cigarette maker for US\$1.7bn (£1bn) in a move which vaults it past rival Philip Morris in the lucrative Mexican tobacco market.

BAT said the acquisition of Barcelona-based Cigarrería La Moderna (CLM), part of the seeds and packaging combine Empresas La Moderna, would give it over 50 per cent of the Mexican market.

Mexico is the world's 15th largest tobacco-selling market, with sales of more than 47 billion cigarettes a year. CLM's only rival is Cigatam, which is 50 per cent owned by Philip Morris and which has a 45 per cent market share. Martin Broughton, BAT's chief executive said: "I wish there were more opportunities like this. This offers us the rare opportunity to buy a sizeable and very profitable player in a growth market."

CLM owns three of the top five brands in Mexico - Boots, Raleigh and Montana. The move will also increase BAT's stranglehold on the Latin American cigarette market, where it currently has a 60 per cent market share.

Analysis agreed that a move into Mexico made sense, but some were concerned about the timing of the deal, which follows just weeks after the US tobacco industry agreed a tentative \$368m settlement against future tobacco litigation. Mark Duffy, analyst at Salomon Brothers said: "This is fine strategically, but it's an odd time given that BAT doesn't know how much it will be spending on US litigation."

Another analyst said: "Cigarettes will become increasingly litigation riddled outside the US, but BAT seems to be putting on a brave face and saying there's still life in tobacco."

However, Michael Prudeaux, a spokesman for BAT insisted that it is business as usual: "Our company doesn't stand still just because difficult things are happening in the US."

The deal, which BAT believes will add \$140m to its tobacco profits, which reached £245m in 1996 and will be broadly earnings neutral in the first full year, takes the company into a fast-growing and litigation-free new market. Mr Prudeaux said: "US style litigation is not likely to cross the river. Smoking related litigation is very rare in Mexico. There is less incentive to litigate as there are no punitive damages. The causal link between someone causing an injury and the injured is also harder to prove." The Mexican economy has also stabilised over the last few years with consumer spending recovering and GDP forecast to grow at 3 per cent a year over the next ten years. According to Mr Prudeaux GDP is the main driver of sales of branded cigarettes. BAT also has the option of using 15 billion cigarette spare capacity at the CLM plant to export.

Empresas La Moderna was previously owned and managed by BAT, but during the 1970s, the group was required to reduce its shareholding to 50 per cent by legislation restricting all foreign investment in Mexico. The monopoly was finally sold in 1989. According to one analyst: "This is a good buy. BAT knows this business and market already. And now is a good time to get into the market." Philip Morris recently increased its stake in Cigatam from 29 per cent to 50 per cent.

The terms of the deal, which comprises \$1bn in cash, a \$500m loan note and \$212m debt, involves BAT taking a 50 per cent share now with the option to take full control at no extra cost. Full control is likely by the end of this year. The deal pushes up BAT's gearing from around 40 per cent currently to over 60 per cent. BAT's share of any US litigation settlement would take that to over 80 per cent.

Expectations were high in Brussels and Washington last night of a last minute deal between the US and the European Union over the proposed \$14bn (£8.4bn) Boeing-McDonnell Douglas merger which could prevent a trade war.

Karel Van Miert, the EU commissioner responsible for merger decisions, told European foreign ministers, meeting in Brussels, that Boeing had pre-

An amnesty for garden sprinklers and a warning for the water companies



Mike Kinsella, chief executive of Southern Water, part of ScottishPower, stands on top of a mountain of garden sprinklers handed in by customers in exchange for less thirsty water spray guns under an 'amnesty'

announced by the utility. Southern said it had handed out 10,000 spray guns in 10 days. Meanwhile Ian Byatt, the director-general of Ofwat, the water industry regulator, has warned that any water company that fails to

deliver on mandatory leakage targets could face a special administration order. Ofwat's ultimate regulatory power that effectively places a company into administration through the courts.

Photograph: PA

Late deal expected over Boeing merger

Sarah Helm
Brussels
David Osborne
New York

sented new proposals which were being urgently examined. A Commission decision to block the merger had been expected today.

Robin Cook, the Foreign Secretary, voiced optimism about a deal, saying the new proposals related to Boeing's exclusive contracts with three airlines - Delta, Continental and American - under which the carriers cannot buy from other manufacturers. The issue of exclusive contracts was one of three reasons given by the Commission for opposing the merger.

The merger would cut the number of large commercial aircraft producers from three to two, wrapping McDonnell Douglas' commercial airline operations into those of Boeing.

The EU is concerned that a newly enlarged Boeing - which already accounts for 60 per cent of the sales of large commercial aircraft - would enjoy an overwhelming competitive advantage over Airbus Industrie, the European aircraft consortium.

Details of the new proposals were not immediately available, but Mr Cook said: "It remains a very real possibility that that it will be possible to reach agreement."

In the US, President Bill Clinton said he had focused on the issue over the past three days and would continue to do so. "I think there is a way to work this out. I am hopeful that by Wednesday, when the Commission meets, an agreement will have been reached."

The President said the key concern in the US was "that only the anti-trust considerations play a role in this decision and that we do everything we can to avoid a more political decision, which would lead to an unfortunate trade conflict between the United States and Europe."

The White House had previously warned that it would challenge any move by Brussels to block the merger.

Despite the apparent breakthrough, there were still signs of tension on both sides of the Atlantic last night.

A group of 50 US Representatives from California, yesterday called on the President to keep a stiff resolve in dealing with Brussels. "The President needs to draw the line because it is clear that we are on the right side of the competition question," declared Representative Jerry Lewis.

High noon turns to high camp at Hambro shoot-out

Tom Stevenson
Financial Editor

After 25 years in the chair, Lord Hambro would have chosen different circumstances in which to bow out from his eponymous banking group, but he wasted no time addressing the only issue exercising a packed annual meeting. High Noon at Tower Hill, it had been bated, and Charlie came out guns ablazing.

He would take no questions on the Co-op affair or the Norton Rose report into Hambro's

role, he said. "I believe, however, we acted quickly and decisively in commissioning an independent investigation and acting on it. We have received resignations from all the directors we believe it is appropriate should leave the bank."

Sir Chips Keswick, his successor, for whom by implication it would not have been appropriate to resign, agreed that a line had been drawn under the affair as far as the bank was concerned. But the first non-family member to head the

company since Carl Joachim Hambro set up shop on King William Street in 1839 admitted the Bank of England and Securities & Futures Authority, Hambro's regulators, might begin to look at him.

The unfortunate Andrew Regan business out the way, Lord Hambro then turned his attention to steering his swan-song back from the brink of farce. It had been taken there by an octogenarian rabbit-eusher calling himself Mendax who is fast becoming a regular fixture at annual meetings.

Was the number of pensions

months. In the meantime, the hunt for a group chief executive was off - "we had too many layers before and now we have one less", Sir Chips confessed.

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trustees defective, excessive or perfect, he demanded to know of the puzzled chairman, only partly in Latin. And would the newly reappointed finance director care to "stand up and elicit his heels". Smiling serenely, Hambro's senior bean counter did as requested.

Undeterred, Mendax turned on former Bank of England Governor, the Right Honourable Lord Kingsdown, a Hambro non-exec, to follow suit. "I did," cried Sir Robin. "He already did," cheered the sound of laughter.

shareholders. High Noon? High Camp, some muttered.

It was time to recall happier times. Lord Hambro arrived at the family bank 40 years ago, a fellow new boy told the meeting, to embark on the 1950s merchant banking equivalent of boot camp. "We were taught how to add," former company secretary Andrew Gibson-Watt told shareholders - "our expensive education had failed to prepare us for." Hambro echoed to the unfamiliar sound of laughter.

Profits up by 176% at Stagecoach

Michael Harrison

The rail and bus group Stagecoach ran into a fresh barrage of criticism yesterday after unleashing a 176 per cent leap in profits and announcing that it will receive £7.7m on revenues up by 8 per cent to £233 after receiving £63.4m in government subsidy. Staff levels fell by 400 to 3,600 - largely reflecting the cut in driver numbers - but Stagecoach took an extra 70 revenue protection inspectors.

Porterbrook, which was bought for £315m, netting Mr Anderson and his City backers a £200m profit just six months after they acquired the company from the Government, made a profit of £80m on turnover of £180m.

But Mr Souter stressed that since the takeover, it had won new train orders worth £280m from five of the 25 train operating companies and was in the vanguard of investment in the privatised rail industry.

Mr Anderson, the Stagecoach chairman, blamed the fiasco on junior management who had made the "elementary error" of failing to take into account holiday entitlements when SWT cut driver levels by 10 per cent and had to retrain large numbers of

remaining drivers on new routes.

Mr Souter maintained, however, that SWT could make similar manpower reductions over the next two years and not affect services. In its first full year of ownership, SWT made an operating profit of £7.7m on revenues up by 8 per cent to £233 after receiving £63.4m in government subsidy. Staff levels fell by 400 to 3,600 - largely reflecting the cut in driver numbers - but SWT took an extra 70 revenue protection inspectors.

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COMMENT

'Mr Arnault's latest manoeuvring in the Guinness/Grand Metropolitan saga suggests either stupidity on a grand scale or a determination of such steel and persistence that maybe, just maybe, he will end up getting his way.'

A gambler in the James Goldsmith mould

Who says there will never be another like Sir James Goldsmith? Bernard Arnault may not be of quite the same angry, iconoclastic temperament as Sir James, but he certainly seems to share some of the late financier's capacity for surprise, the grand gesture, and the calculated gamble. For whether there is also brilliance and vision in his thinking, we'll have to wait and see.

His latest manoeuvring in the Guinness/Grand Metropolitan saga suggests either stupidity on a grand scale or a determination of such steel and persistence that maybe, just maybe, he will end up getting his way. So what's his strategy here? From the outside it certainly looks a costly one. He's selling down his stake in Guinness at prices of between £80m and 500m in order to build up his position in GrandMet at prices of up to £600m. Since under the terms of the merger the two prices are meant to be the same, this is plainly a high risk enterprise.

The point is, however, that Mr Arnault has given a legally binding undertaking to Guinness not to increase his stake in that company beyond 14.2 per cent. He's under no such obligation with GrandMet, where his stake last night moved over the 10 per cent mark. That now gives him the ability to requisition shareholder meetings in both companies, at which he could presumably get a full hearing for his alternative proposals. But actually that probably

isn't his game, was the word from the Arnault camp last night. Probably is the operative word here, for the game keeps changing.

The more likely strategy is that he will persist in selling down Guinness and increasing his holding in GrandMet until he gets to the position where he can block the merger altogether. To go ahead, the merger needs 75 per cent of voting shareholders in both GrandMet and Guinness to approve the deal. If he buys something over 20 per cent of GrandMet - an option closed to him in Guinness - he only needs limited dissent among other shareholders to stop GrandMet proceeding.

The mere threat of this happening may be enough to bring George Bull, chairman of GrandMet, to the negotiating table. The downside for Mr Arnault is that if he's forced to go through with the threat, then he'll certainly lose a packet on his GrandMet stake building as the share price returns to more normal, pre-merger proposal levels.

The gamble is a mighty one. Mr Arnault dives into town tonight to do the rounds of sympathetic institutions and analysts. The game has a long way to go yet.

Nothing stops the irrepressible Brian Souter, not even the departure of Britain's best known railway millionaire from his trainset. Not content with cor-

nering the bus market and the juiciest bits of what used to be British Rail, the chairman of Stagecoach is eyeing up the London Underground, providing of course that the mixture of capital and risk is right - which is Souter parlance for whether he can steal it from under the nose of the taxpayer.

Should it decide to go down the Tube, the Souter machine may find that John Prescott is not quite the soft touch that Sir George Young proved to be. He may also discover that the Underground, with its insatiable appetite for capital is not the money spinner that the buses and, unlikely as it once seemed, the trains have shown themselves to be.

Mr Souter and the clever chaps around at UBS could no doubt find some ingenious way of keeping Stagecoach's financial exposure off balance sheet. But is the company's star riding high enough for this kind of expansion, or indeed the growth through acquisition that Mr Souter still sees as possible?

Since the fiasco at South West Trains, when incidentally, this column called the top of the market for Stagecoach, the shares have gone nowhere. Indeed they have underperformed the market by close to 10 per cent as the realisation dawns that Mr Souter is mortal after all.

In these exuberant markets anything is possible, of course, and Stagecoach has ridden high on the wave of froth. But all the signs are that the business needs to con-

centrate on consolidation for the time being.

The regulatory environment can only get harsher - both for buses and trains - and for all Stagecoach's talk of leading the investment revival of the rail industry, it will rely on a sceptical government agreeing to extend SWT's franchise for Mr Souter to part with more money for rolling stock.

Perhaps it is a sign of the times that, having made his £36m by selling Porterbrook to Stagecoach, Sandy Anderson has now found better ways to spend his money and his time than running a rolling stock leasing company. Until recently, Stagecoach has proved a rolicking good ride for investors. The judgement they now have to make is whether to follow Mr Anderson's lead.

Members of the Treasury Select Committee asked Gordon Brown the same question in about twenty different ways yesterday. Should he not have used the Budget to clamp down on the impending consumer boom, limiting the need for interest rates to rise? The Chancellor gave the same answer twenty times. He would not relapse into fine-tuning, but rather would use Budgets to set a medium term framework.

What's more, Mr Brown said, he was already being very tough on the public finances. There was no way to put these on

a sustainable footing without making difficult choices. Everybody always expected the Chancellor to make these kinds of statement in office - he said the same things repeatedly in opposition. But he has taken MPs and the City alike attack by walking his talk. In a variation on the classic technique used by teachers, he tells us he's going to be tough, he is tough, and he tells us he has been tough. We'd better believe him.

Yet many people have mixed feelings about authority figures to whom they have awarded the description "iron". The Iron Chancellor arouses apprehension as well as admiration amongst those who ought to be in agreement with his views. There is a great reluctance to accept any short-term pain whatever the long-term gain - hardly surprising given the history of phrases like "it isn't hurting, it isn't working" in British economic policy.

Mr Brown's message is not so lacking in subtlety. He accepts that the strong pound is causing grief, but sees it as the penalty being paid for his predecessor's mistakes - chief of which was trying to manipulate the economic cycle in the short term for political advantage. We should be grateful the new Chancellor seems to be made of sterner stuff. But then with an overwhelming majority and the next election five years away, he can for the time being afford to be. Arguably, he should be sterner still.

IN BRIEF

BT accepts cut in charges to rivals

British Telecom backed away from a fresh confrontation with the industry regulator, Don Cruickshank, after he announced a 28 per cent cut in the charges the company could levy on other telephone operators to connect to its network. The network charge will fall by 10 per cent in October and then by inflation minus 8 per cent for the next three years. Rival operators Cable & Wireless Communications and Energis said they would pass the price reductions on. BT, which had threatened to go to the Monopolies Commission over the proposals, yesterday said it welcomed the key elements of the new formula and estimated it would cost the company £20m-£30m a year.

Norwich investment head to join BZW

Patrick Barton, Norwich Union's investment director, is to join BZW as its UK banking analyst later this year. The investment banking arm of Barclays also announced the appointment of Tim Dawson and Roland Andreasson, who join from ABN Amro Hambros Goveit to cover the insurance sector. BZW said it had appointed seven senior analysts since the beginning of the year.

Profits up at Royal Bank's US offshoot

Royal Bank of Scotland said Citizens Financial, its US offshoot, had reported pre-tax profits of \$270m for the nine months to June, up from \$176m before. The bank said the quarterly results reflected continued strong organic growth in loans and deposits, an improving net interest margin, and an increase in non-interest, fee-based income.

Murdoch close to deal with Time Warner

Rupert Murdoch appeared close last night to making peace with the giant Time Warner, ending a court wrangle over distribution of the Fox network's nascent 24-hour Fox News Channel (FNC). Time Warner had angered Murdoch's News Corporation nine months ago by refusing to make space for FNC on its cable system in New York City, a vital market. Behind the Time Warner position was Ted Turner, who was resisting giving support to a service that competes directly with CNN, his own channel that last year was bought by Time Warner. Negotiating out of court, the two sides were reportedly close to a deal that would supply a channel on the New York system for FNC. It was not clear what News Corp was offering Time Warner in return.

Profits slump at electronics distributor

Eurodis Electron, the Surrey-based distributor of electronic components, saw pre-tax profits crash from £18m to £3.02m last year, but remains optimistic. Robert Leigh, chairman, said an upturn in the industry "remains stubbornly elusive". However, he said the company had started the new year with greater efficiency, an enhanced product range and a lower cost base. As a result, prospects for the current year were good, even though market conditions were not expected to strengthen during the first half. A final dividend of 3.1p makes 5.1p for the year, up from 4.85p.

Microchip maker's shares plunge

Vision Group, the Edinburgh-based producer of microchips, saw its shares plunge 42p to 139p after it announced that lower revenues would result in a loss of over £1m this year. The group said a slippage in orders from equipment manufacturers had been exacerbated by a generally slower emergence of the overall video conferencing market. It did not expect a significant improvement in earnings during the first half of 1997-98 but was looking forward to higher revenues and positive earnings in the second six months.

Andersen Consulting to revamp

Andersen Consulting, part of the group which includes accountants Arthur Andersen, yesterday told staff about an internal re-organisation to increase the globalisation of the business. The plans involve structuring the group along international business sector lines, rather than partially by national geography, as in the past. The change, which is to take effect from September, follows a pilot project which involved setting up an international communications industry group last year. Other industry sectors, including financial services, retail and manufacturing, will now also be established. A representative said the move was entirely separate from the recent difficulties the parent group, Andersen Worldwide, had had in electing a new chief executive.

H&C Furnishings sales ahead

H&C Furnishings, the merged Harveys and Cantors retail groups, revealed that sales in the first 10 weeks of the year had jumped 15 per cent and said there was scope to expand the chain to 450 stores. Sir Harry Solomon, chairman, said the group had delivered on all the promises made at the time of last year's merger, but profits were hit by a £7.8m charge for rationalisation, leaving a pre-tax total cut from £2.2m to just £905,000 in the year to April. Profits after interest, however, soared from £437,000 to £8.17m on sales 149 per cent at £152m.

House prices set to rise further

UK house prices will continue their climb in the coming 12 to 18 months, according to reports from the Royal Institution of Chartered Surveyors and the Nationwide Building Society. Nationwide said house prices rose 10.1 per cent over the year to June, with London prices up 17.5 per cent. According to the RICS survey, fears of Budget tax changes slowed the recovery last month.

Profits leap at security systems maker

Menier-Swain, the Banbury-based manufacturer of security systems and emergency lighting, has unveiled a 55 per cent leap in annual profits, but warned that the current year would be hit by the strength of sterling. Pre-tax profits jumped to £14.9m in the year to April and the company wants to buy in up to 10 per cent of its own shares.



Gordon Brown in the Commons yesterday: He urged the Treasury Select Committee to take a stronger line in quizzing the Bank over interest rates

Photograph: PA

Chancellor denies Budget was too soft on consumers

Diane Coyle
Economics Editor

Gordon Brown, the Chancellor of the Exchequer, yesterday defended the Budget against criticism from MPs that it had not done enough to cool down the overheating economy.

He insisted it was a tough Budget that would reduce the pressure for higher interest rates over the medium term as government borrowing declined.

Mr Brown also told the Treasury Select Committee it would have to play a bigger role in questioning the Bank of England and about interest rate decisions. He urged the committee to quiz the Governor and members of the Bank's Monetary Policy Committee after each quarterly Inflation Report.

Mr Brown emphasised the importance of setting policy or long-term economic stability: "I do think there has been too much short-termism in British economic policy."

His decision to give the Bank its operational independence had given an important boost to

long-term credibility. "I don't believe that ever again government can be accused of taking short-term, politically motivated decisions about interest rates."

He confirmed there would be a "green Budget" document published for consultation during the autumn, ahead of next March's Budget.

However, some MPs queried Mr Brown's decision not to raise taxes on consumers in his first Budget. Many commentators have blamed the need for a significant rise in interest rates and the strong pound, on this decision.

The Chancellor replied: "We inherited a situation where inflation pressures were such that action on interest rates had to be taken and a situation where the deficit had to be reduced."

Several of the new Labour members of the committee were clearly torn between their loyalty and their unease about the present mix of interest rates and fiscal policy.

Questioned by Ruth Kelly, Labour MP for Bolton West, about whether the Budget had been intended to correct the imbalance between rapid consumer spending and weaker exports and investment, the Chancellor said it had.

Mr Brown repeated the Gov-

CBI wants single currency but not yet

Michael Harrison

Business leaders yesterday called on the Government to commit Britain to entering a single currency when economic conditions were right but not in the first wave of monetary union in 1999.

The call from the Confederation of British Industry came as its members gave overwhelming backing to monetary union as being in the best interests of the UK but only once there had been sufficient convergence in the economic performance of member states.

The employers' organisation also said there was a strong case

for delaying a single currency by one or two years but conceded that this was unlikely to happen for political reasons.

The "contingent yes" to EMU, as it was described by the CBI's director-general Adair Turner, reflected the view of those industrialists who were urging immediate entry and those who supported membership of EMU in principle but only when the fiscal conditions were in place to make it successful.

After a four month consultation process 94 per cent of the CBI's members voted for one of these two positions and only 6 per cent urged outright rejection of EMU.

The employers' organisation also said there was a strong case

Britain had had to face in his lifetime and therefore the CBI had to come off the fence. "The CBI has sent a clear message to Government: it should declare strong support for UK membership of EMU under the right conditions and take steps to ensure that the necessary practical preparations are under way to make entry possible."

Sir Colin said that when the CBI saw the Prime Minister a week ago to outline its position on a single currency, it had come away with the impression that Mr Blair found it "reasonably acceptable".

However, the Chancellor, Gordon Brown, told MPs yes

Nationwide puts £7bn price on its head

Nic Cicutti
Personal Finance Editor

Nationwide Building Society will be putting itself up for sale if the result of a members' ballot, expected later today, backs five rebel candidates standing for the board on a platform opposed to mutualisation.

The society's announcement that it would be inviting bids for itself in an auction worth up to £700m in the event of losing the ballot, came despite suggestions from some observers that it had won.

John Wrigglesworth, a former building society analyst and now a senior manager at Bradford & Bingley, said: "Everything about how this ballot has been conducted in the past few weeks suggests to me that the Nationwide board has won. They appear to be heightening the tension to underline the scale of their victory."

The postal ballot closed at 11am yesterday and the votes had been counted by the Electoral Reform Ballot Services. A Nationwide spokesman said yesterday that senior executives at the society now knew the results, which had been "decisive".

The candidates themselves, who include rebel campaigner Michael Hardman and four of his colleagues, will be told at lunchtime today.

He added: "Brian Davis [Nationwide chief executive] has made it clear that in the event of a victory for the rebel candidates, it would mean the end of building societies as we know it, with all the implications that follow. If the vote is won, we recognise that the debate is not over as far as mutuality is concerned."

British Gas in new row with regulator

Michael Harrison

British Gas was at loggerheads again with the industry regulator, Clare Spottiswoode yesterday after claiming she had ignored the Monopolies Commission report into its TransCo pipeline arm by proposing to cap the revenues it could earn.

A spokesman for BG said that in doing so the director general of Ofgas had ridden roughshod over the concept of incentive regulation and had altered the financial outlook for the company in a furore of international retailing.

The MMC ruled in favour of Ms Spottiswoode last month by recommending a 21 per cent cut in TransCo's pipeline charges.

It was considered appropriate by the MMC under the 50:50 rule. It was therefore reconsidering the structure of the price control with a view to setting volume advance which would be equivalent to a revenue cap price control.

fended his decision to ignore a bid backed by CVC Capital Partners and led by former management at Bhs. He said the bid was not worth the £540m claimed and that the offer would not have yielded sufficient benefit to shareholders.

The offer was one of several alternatives looked at. We negotiated fully with them but the deal did not provide anything like the benefits of the other options.

"No board of either a private or a quoted company... goes with all the details of every offer that is made to shareholders and says 'please tell me what to do'."

He said all the family shareholders had signed a shareholder charter last April that separated shareholder and board responsibilities. But he said "you might expect there to be a difference of opinion" in such a large group.

Mr Ross said the deal to sell

business

SmithKline poised as a big player

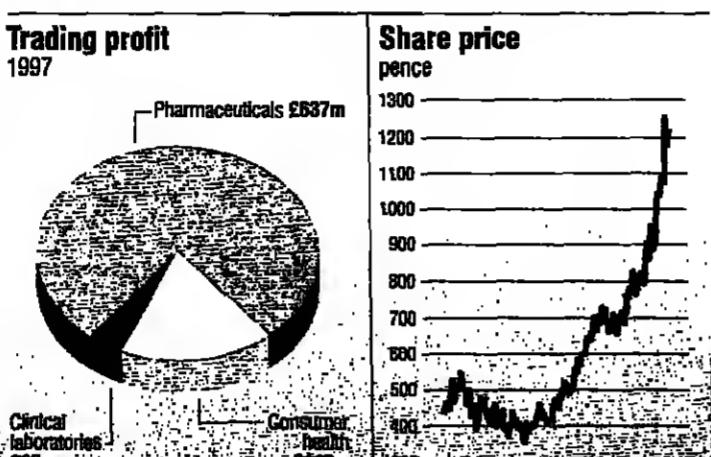
THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

SmithKline Beecham: At a glance

Market value: £23.7bn, share price £12.19 (+49p)

	1993	1994	1995	1996	1997	Half year
Turnover (£bn)	6.16	8.49	7.01	8.85	5.72	
Pre-tax profits (£m)	1220	691	1623	729	774	
Earnings per share (p)	29.8	25.5	35.5	77.0	103.0	
Dividends per share (p)	10.9	12.9	14.25	8.00	8.82	



1219.5p are on a forward p/e ratio of 30. With 15 per cent earnings growth over the next two years and no important patent expires until 2002 to trouble the market, the shares have further to go.

More bad news from Menzies

It has been a grim 18 months for John Menzies, the retail and news distribution group. At the start of 1996 it issued a profits warning after being hit by problems in its news distribution side.

In January this year it issued a fresh warning, this time caused by difficulties at its Early Learning Centre retail subsidiary, which was suffering from competition from Boots, Argos and Woolworths.

The impact on the share price has been severe. Trading at well over 600p 18 months ago, the shares have been sliding ever since and closed 11p lower at 422.5p yesterday, their lowest since early 1993.

The company is now attempting to put recent scares behind it. A new managing director, Charles Mackay, joined in January and new management is being sought for the Early Learning Centre.

The strategy has been to use the cash-flow from established businesses like news distribution and retailing to invest in growth businesses, such as distribution of computer games and the like.

In fact retailing now accounts for less than one-third of sales and just 13 per cent of operating profits.

This sounds good in theory but yesterday's figures only highlighted how far they are from being put into profitable practice.

Pre-tax profits in the year to 3 May were £5.3m lower at £30.6m due mainly to problems at the ELC.

Once the jewel in the Menzies crown, profits have slumped from an estimated £12m just two years ago to an estimated £2m in the latest period.

Current trading is tough, with sales 3.9 per cent lower on a like-for-like basis, though a 30 per cent increase in the number of lines from September should start to make a difference.

Menzies has experienced mixed results with its diversifications. Funsoft,

a CD-Rom distribution business in which it has a half share, produced a loss of £2.5m last year.

The Samas office supplies business did better, with profits of £4.4m in its first year.

On a Société Générale Strauss Tumbull's profits forecast of £33m for the current year, the shares trade on a forward rating of 12. Not one to chase.

Mitie set to clean up on services

The almost unbroken six-year run in shares in Mitie, the building maintenance to cleaning group, has been interrupted this year. From a low below 26p in 1990, they hit 194p in January and have since yo-yoed back to 171.5p, up 8p yesterday. Brokers blame variously an unsustainably high rating of above 20 times earnings and share sales by managers unlocked from Mitie's particular brand of incentivisation for its workers.

Certainly, yesterday's figures suggest any fears the market may have on the trading front are groundless. Pre-tax profits rose 30 per cent to £8.21m in the 12 months to March - the eighth year on the trot Mitie has notched up this rate of growth - on sales up by the same amount to £209m.

The star of the period was the building side, boosted by some chunky contracts. Broken down for the first time the division chipped in £4.52m to these figures, against £3.7m for support services, involving cleaning and the like.

The latter sustained a £452,000 hit from a disastrous cleaning contract with a large food processor, which has resulted in the closure of Mitie Hygiene Services. This follows problems the previous year in the jobbing maintenance operation, which recovered from losses of over £200,000 to about break-even.

But Mitie's ability to withstand these failures suggests the formula is relatively robust. And the potential remains for the group to equal the impressive record of the much larger Rentokil Initial, which has grown fat on so-called "support services".

The fashion for outsourcing peripheral activities, such as property management and cleaning, continues to grow space - cleaning alone could now be worth £3bn a year. Already existing contracts and orders mean much of Mitie's work is in the bag this year, when margins are set to rise from 3.9 to above 4.3 per cent. There are potential dangers in the group's move into the cut-throat world of plant hire and Rentokil may prove a revitalised competitor when it has fully absorbed BET. But profits of £10.7m this year would put the shares on a multiple of 16, falling to 14. Reasonable value.

CU takes stake in French insurer

Clifford German

Commercial Union yesterday announced it was expanding its position in France, Europe's largest single market for life assurance products, by paying £125m for a 55.8 per cent stake in Union Financière de France. The stake is being bought from Crédit Agricole Indosuez.

However, the deal was overshadowed by CU's new business figures for the first half of 1997 which, while perceived as generally good by analysts, showed that the French market was the company's weakest area. CU's shares fell 19p to 674.5p.

Union Financière is a quoted company with 32 branches employing 880 financial advisers that sell products direct to 135,000 clients, both individuals and small companies.

CU already has an 11.7 per cent stake held through Abeille Vie's insurance, pensions and savings products.

CU's latest figures showed

that new business worldwide rose 21 per cent to £1.58bn in the first half of 1997. New single premiums worldwide were up 17 per cent to £1.22bn and new annual premiums were 38 per cent up at £154m. Single

premium business in the UK grew by 75 per cent to £365m and annual premium business rose 4 per cent to £25m.

But overseas business was adversely affected by the strength of sterling against European currencies and business in France in particular was affected by the elections in May and by a reorganisation of the sales force.

Single premium sales in France were down 15 per cent to £624m and annual sales were 20 per cent lower at £11m after allowing for exchange rate movements.

Despite the poor performance in France, which was widely expected, the country represented a long-term strategic investment, Mr Foster said.

Separately, Eagle Star, the insurer owned by BAT, the tobacco giant, has paid Friends Provident £50m for Preferred Direct, a telephone insurer.

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Hind emerges from the lower ranks for Shantou

Racing

RICHARD EDMONDSON

His name may sit rather prosaically among some of the giants of a small world, but that will not alarm the jockey named yesterday for Shantou in Saturday's King George VI & Queen Elizabeth Stakes one jol. Cash Asmussen, Gary Stevens, Frankie Dettori and company will be joined in the Ascot changing room by one Gary Edward Patrick Hind, age 29, apprenticeship with Reg Hollinshead and first winner at Carlisle on *Vin Vitea*.

Hind's promotion comes through his membership of the backroom team at John Gosden's Stanley House yard, where Shantou has his digs. He was considered fleetingly for the ride of Benny The Dip in the Derby until Willie Ryan's Classic experience became the most notable part of the equafon, but now a similarly promising ride has presented itself.

Shantou was originally to

have been ridden by Dettori, who is credited with being the only man who can twist the last drop of effort out of the four-year-old, but the Italian has subsequently been switched to the second favourite, Singspiel.

Shantou is famously crackers and cannot bear to have other horses around him on the gallop, which is a bit of a draw-back when you happen to be

RICHARD EDMONDSON
NAP: Aslef Alhind
(Sandown 8.15)
NB: Kamenev
(Sandown 8.45)

led horse. Polwarf, in his recent work and Shantou seemed to go well.

The manning arrangements for Saturday are now complete. Ray Cochrane is due to ride Strategic Choice, who finished third in the race two years ago but is now considered a 50-1 virtual no-hoper in this weekend's particularly strong company. "We will have a serious crack at finishing fourth," said an optimistic Paul Colc, the six-year-old's trainer.

John Reid, the projected partner for Swain, returns to the saddle this evening at Sandown following a short absence. The Irishman jarred his right ankle at Newbury on Saturday when Dark Moonracer ejected him in the preliminaries, but the markets suggest that few believe that Reid's talents have been compromised by the accident.

Swain is now a best-priced 12-1 (from a morning 16-1). The most dramatic moves though yesterday centered on Swain's Godolphin stablemate Predapatio, Pilsudski himself is still quite well fancied despite some dark assertions from Michael Stoute, his trainer, that the Breeders' Cup Turf winner might not run if the ground is too hard.

Whether this caveat is just a play to encourage Ascot to pour water on the track will become evident tomorrow evening when Swain is scheduled to walk the course - described yesterday as good to firm - before delivering his final thoughts.

Any withdrawal would hurt the race, especially as Pilsudski, along with the favourite, Hellsissio, is said to be at the summit of his powers. The French horse, who is attempting to become the first from his land to win the race since Pawneese 21 years ago, will fly in from Beauvais airport on the morning of the race.

Another weight for the colt, who is

ridden in Newmarket. Hind has ridden him before and lost, but he is in good company as Pat Eddery and Michael Kinane have also failed to plug into the colt's eccentric mind.

"It's nice to be involved in these sort of races," Hind said yesterday. "It's what it's all about. I rode Shantou in a maiden at Chester last year and got beat on him. I rode his

queror in the Hardwicke Stakes at Royal Ascot, who was reduced to 8-1 (from 12-1) by Ladbrokes. Coral cut him to the same price (from 14-1), while William Hill go just 13-2 (from 12-1).

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FOURTH TEST: England's latest fast bowling hope is looking to build on a promising beginning, he tells Derek Pringle

Headley inspired by his famous forebears

Here is little doubt that thoroughbred sporting genes can often help those inclined to follow in their forebears' footsteps. But they can also be a hindrance too, with the presence of a distinguished family tree merely increasing the pressures of expectation. For Dean Headley, however, that burden has proved something of an inspiration as he became the third member of his family to play Test cricket, the first time three generations have been thus involved.

"When I was younger I never really thought about it, but over the last few years I've been determined to play Test cricket. There have been times when I've been talking to my dad and people have come up with a piece of paper and I've grabbed it in order to sign it and they've gone: 'Ex no. It's your dad's we want.' It brings you down to earth."

'I know I've got a fairly unique action, but it's one that's natural to me'

"Although I enjoy being a part of a famous family, I didn't want to be the person that people turned round and said, well that's a Headley who didn't play Test cricket."

But if there were lingering doubts before Headley stepped on to the Old Trafford turf, they have surely been banished now. Eight Australian wickets is the kind of debut that happens when most bowlers are asleep. Even more impressive than the figures however, was the fact that Headley consistently outbowled his more experienced colleagues in both innings.

"It was a great feeling to take eight wickets, though any country bowler in the country could have come up trumps on that first morning," he said as he prepared for tomorrow's fourth Test at Headingly. "I was much more pleased to take four wickets in the second innings when the pitch had flattened out."

Sensational debut though it was, he still has a long way to go before rivaling the deeds of grandfather George, a Jamaican who was dubbed the Black Bradman. A brilliant batsman on any surface, in 1939 he became the first and only West Indian to score two hundreds in the same Test match at Lord's.



Dean Headley: 'I didn't want to be the person that people turned round and said, well that's a Headley who didn't play Test cricket'

Photograph: Peter Jay

but he made on the same ground the previous year. With the 15-over rule in one-dayers you haven't even got one ball to ease into things. At least in the Test, I knew I had a job to do for the day and that my strategy would more or less remain the same.

He puts much of his readiness down to the two England A tours he played, which he feels are a useful stepping stone to the pinnacle.

"The A team helped me feel that I belonged to the set. Just going away on tour with people like Nasser Hussain and others who had played Test cricket did a lot for my self-belief. In a way the company was more important than the opposition, though the fact that both tours were winning tours really boosted our pride during a time when the main team were getting a lot of negative press."

Having attended Worcester Royal Grammar School —

'When you start your Test career you have to have big ears – which luckily I've got'

Alma Mater to such luminaries as Imran Khan — Headley tried his hand at his father's county, Worcestershire. When that did not work out he suddenly found himself on a tour to India with Christians in Sport with a motley assortment, not all of them believers. One of those present was Simon Hughes who, impressed with the young Headley's pace, alerted his own club Middlesex, who promptly signed him after the hirerest of indoor trials.

He stayed a year, before moving to Kent where a proactivity for taking hat-tricks (he took three last season) brought him the headlines that eventually led him, via England A, to the Test arena proper. A place where he and England now find themselves up against a resurgent Australia seeking to retain the Ashes.

"The mood of the side is still confident," he insists. "Certainly there are things we have to address, such as posting a competitive score. Mainly though, it's going to be down to pure hard work."

"The Aussies outplayed us at Old Trafford, but as far as I'm concerned it's one-all and we've just got to go out and start again, like we did at Edgbaston."

As Brian Statham once said to someone who asked him what he did with the ball: "I aim to bowl it three inches outside off-stump. If it comes in they've still got to play it. If it goes away around a fair wiser."

"When you start your Test career, I think you've got to have big ears. Which luckily I've got," he adds, jogging playfully at the ooc sporting the diamond stud. "The trick is to listen to everything then pick out the little points adaptable to your game as big changes tend to feel unnatural."

"I mean people talk about getting me to bowl one that goes away from the right-hander. Well we'll all like to how that wouldn't we? Even so, as my main ball comes in, I've only really got to get it to hold its line for it to be effective. In any case, I'm not a big swing

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Essence of tennis pure and simple

John Roberts samples County Week, where 800 competitors play for fun

It was a glorious day such as yesterday here at Eastbourne that the 15-year-old Fred Perry became smitten with tennis. Taking a stroll while on a family holiday in 1924, young Fred wandered into Devonshire Park and savoured the scene of "people running around in smart white togs". He also noticed rows of expensive cars.

After a scolding for being late back for lunch, Perry asked his father if the cars belonged to the people watching or the people playing. Most of them, he was informed, belonged to the people playing. "Perry Junior formed a most promising impression of the game," Fred recounted in his autobiography, adding that his father invested five shillings in an old racket to facilitate the transition to table tennis.

Those cars Perry admired were acquired by acme or legacy rather than skills on the court, although many a business career evolved from a doohickey partnership.

Having won all four Grand Slam singles titles, including three consecutive Wimbledon championships, Perry turned professional and left for America to seek his fortune. Happily, the essence of what he experienced 73 years ago – tennis, pure and simple – remains and, weather permitting, can be sampled annually during County Week.

"Pride, character and guts all play a part in this event," said Sir Geoffrey Cass, the president of the Lawn Tennis Association, his tone redolent of his other role, chairman of the Royal Shakespeare Company.

Note the deliberate omission of the word money. Cash rewards play no part in County Week, which involves the participation of 800 players competing in seven divisions, at Eastbourne and 12 other venues around the country. They are,

as the tennis chronicler Lance Tingay once phrased it, "bappy to pay for the pleasure of playing themselves into the ground".

The men's and women's teams contest three rubbers each day without umpires or line judges, ballboys or ballgirls. There is not a chair to be seen during the changes, and any player who requires to towel-down between points has to fetch it for himself. Oh yes, and admission is free. With 19 courts in use, it must be the best value in British sport.

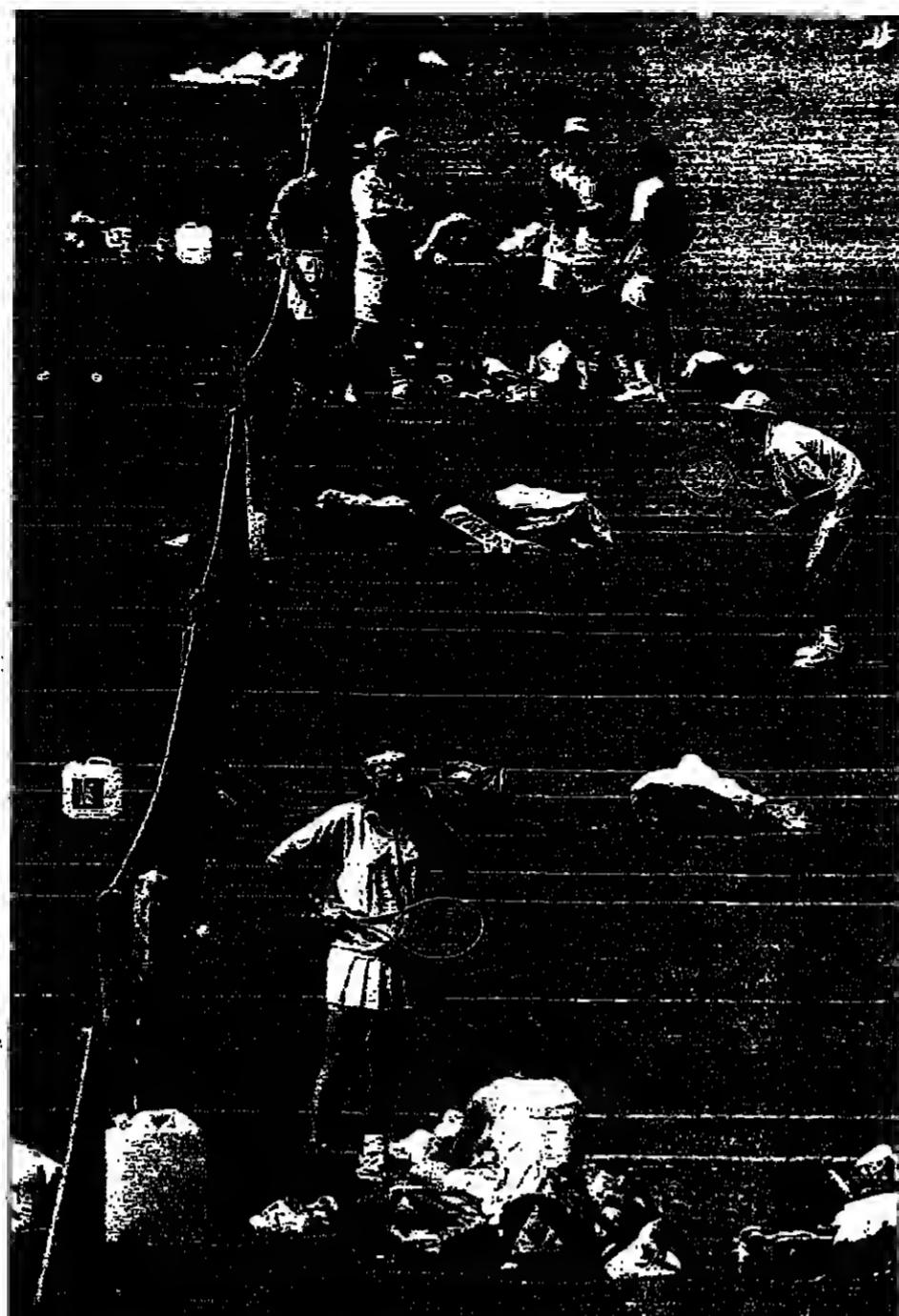
One half expects the day to commence with wooden weapons being removed from racket presses. Once play begins, however, the ball is struck with all the vigour associated with the modern power game, alleviated by the net skills and rallying expertise demanded of doubles.

This event is about stamina and team spirit, emphasised Jane FitzGibbon, the tournament director. "People ring up and ask for someone, and I tell them they're playing a match. So they ask when they will be finished playing. And I tell them, 'On all day'."

The youthfulness of many of the competitors belies the image of ageing social doubles players blocking the progress of promising youngsters. "There are fewer of the older working guys," said Cliff Bloxham, Surrey's non-playing captain.

"There are more students in the teams nowadays. This is partly because you need to take a week's holiday, but also because the county's are picking their best young players."

Bloxham, a representative of the sports management company Advantage International, does not underestimate the value of County Week. "It's a great event, jointly funded by the LTA and the County Associations, who have different priorities," he said. "The LTA are trying to produce players good



Players at County Week in Eastbourne yesterday. "The event is about stamina and team spirit," said Jane FitzGibbon, the tournament director

Photograph: Peter Jay

enough for Wimbledon and the other major championships. The counties are trying to produce County Cup players. That's their incentive, and if the players turn out to be better than that, all well and good."

We all need to be reminded from time to time that there is more to sport than meets the eye. The LTA, however, having failed to keep pace with the modern professional game, might find it more to be nudged about its obligation to the sport as a recreation.

Incidentally, when your correspondent met with Bloxham, the man was soaked, though not with perspiration. Water had been poured over him by one of the Surrey team as he was being interviewed by Meridian Television.

High spirits have always been part of County Week, although work commitments nowadays

encourage journeys borne as soon as possible. This often precludes the tradition of the victorious men's team marching to the lawn opposite the Grand Hotel and crowning the Duke of Devonshire's statue with a chamber pot.

■ Steffi Graf, whose father evaded taxes on millions of dollars of her earnings, has left the Roman Catholic Church to avoid church taxes, a radio report said today. German residents registered with a recognized church must pay a church tax equal to nine per cent of their income tax.

Celtic to honour Stein's memory

Football

GLENN MOORE

Celtic will open this season's European campaign by remembering the man who led them to their greatest triumph 30 years ago. Before tonight's Uefa Cup preliminary round tie against Inter-Cabletel at Ninian Park, supporters will lay a wreath at a ceremony to honour Stein, the man who died of a heart attack at the

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Famous footsteps
England's Dean Headley talks
to Derek Pringle, page 22

sport

Essence of tennis
John Roberts on County Week
at Eastbourne, page 23

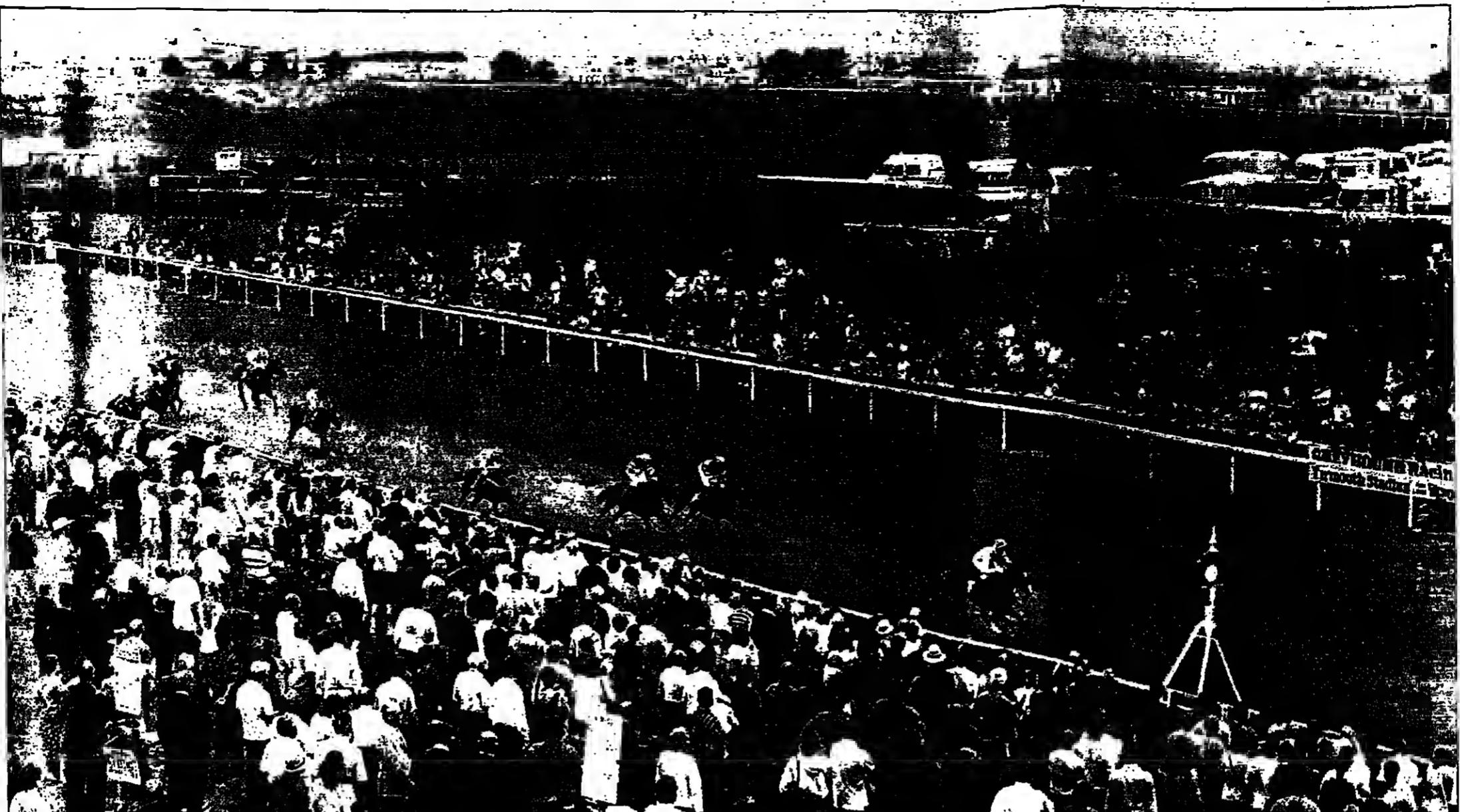
Holiday lure of bingo with legs

Greg Wood
samples the special pleasures of racing
by the seaside

Drive along Yarmouth seafront and you can hear the callers in two dozen bingo booths, tempting the trippers with a new game every five minutes, but for a few hours yesterday afternoon, it would not have been difficult to find an empty seat. En masse, it seemed, the holidaymakers had discovered a diversion with a difference, better than the pleasure beach or the crazy golf, and it tempted them away by the thousand. It was still bingo, perhaps, but bingo with legs.

Separated from the North Sea by nothing more than a caravan site, Yarmouth is as close as the British ever get to racing on the beach, and an afternoon at the track yesterday certainly had all the traditional elements of an English summer's day at the seaside.

There was the stubborn, grey cloud cover, the fierce gusts of wind raising goose pimples on unprotected arms, and even, cynics might add, plenty of donkeys to keep people amused. But that would be unfair to a course which is flat, undemanding and less than two hours in a horsebox from



Surf and turf: The Honorable Lady strides home at Yarmouth yesterday but beyond the bouncy castle and the caravan site, the beach and the North Sea beckon

Photograph: Robert Hallam

Newmarket. Serious trainers like Henry Cecil and John Gosden are very fond of a day trip to the Norfolk coast, and any number of horses with a big future ahead of them have taken their first tentative steps onto a track here.

"What we've found is that people can only afford to come once to the races during their holiday," Hanson said, "so we split our days and have one-day meetings a week or two apart from July until the end of August. There's no dress-code

here, it's fun and relaxed. Lots of tits and bare legs.

Like any other British resort which can guarantee deckchairs and a walk on the pier but not, unfortunately, any sunshine, Yarmouth has seen a generation of holidaymakers tempted abroad over the last 20 years.

"Of course, the numbers have dropped fantastically," Hanson said. "It's not that long

since there would regularly be crowds of 10,000 for a meeting like this." Yesterday, less than 3,500 passed through the gates, though in all but the tiny members' enclosure, where a handful of ageing locals had found a refuge from the tourists, it felt like many more.

It was the holiday buzz that did it. Spectators at a humdrum midweek meeting tend to be

people for whom racing is a way of life. Not so at Yarmouth, least of all in the Silver Ring, the cheapest enclosure, where a half-hourly passage of the horses was nothing more than a brief diversion from the serious business of taking it easy.

The beach had come to the turf, with its squealing toddlers, the pensioners with their deck-chairs turned defiantly to the wind, and all the generations in between.

And from all areas too, as one glance at the enclosure confirmed. By their replica football shirts shall you know them, and they were not just from Wolverhampton and Coventry, but Cowdenbeath and Dundee too. The easternmost point of the country it may be, but Yarmouth race course must have the most cosmopolitan crowd going. Not the richest, maybe, as the small collection of bookies in the Silver Ring (minimum bet, £1) glumly confirmed, but then, since making money was not the point, they might just be the happiest crowd as well. Of that, the small track at the north end of a fading Norfolk tourist town can rightly be proud.

Ravanelli to stay at Middlesbrough

Football

NICK DUXBURY

Fabrizio Ravanelli yesterday returned to Middlesbrough to keep the pay cheques rolling in, but left his agent to do all the talking.

The 33-year-old Italian striker, who should have reported for pre-season training three weeks ago, was said Pino Pagliara, "happy to be back and looking forward to playing a large part in winning promotion for Middlesbrough back into the Premiership".

Reassuringly, Pagliara also said that the "White Feather" - weekly wage £42,000 - was "going to save Middlesbrough a lot of money", presumably

meaning that the club would not have to spend lavishly on a replacement for a player on whom Everton were prepared to spend £75m.

Three hours of discussions between Ravanelli, his agent, the club's chairman, Steve Gibson, and the manager, Bryan Robson, left Boro satisfied that they now have a player "fully committed" to the coming campaign in the First Division where he will play alongside new signing £4.5m Paul Merson.

In a statement, Middlesbrough said: "Fabrizio Ravanelli has returned to Middlesbrough. He's looking forward to the start of next season and he is fully committed to Middlesbrough Football Club."

Ravanelli, who scored 31 goals for Boro last season and has three years left of his contract, believes his ambition to play in the World Cup with Italy will not be jeopardised by staying on Teesside. Concern for his international career with Brazil played a large part in Juninho's decision to leave the Riverside and join Atlético Madrid.

"Maldini [the Italian coach] chooses players not teams," Pagliara said. "He is more concerned with an individual's performance rather than who they play for. We all know Fabrizio can perform against the best players."

Roy Evans believes that he has inherited a player who has got the Midas touch when it comes to honours. His record speaks for itself at home, when

he was with Manchester United, in Italy and at international level," the Liverpool manager said. "He is happy just coming to the club. He wants to add more trophies and is seeking to win the championship. He has great motivation and a great asset to Liverpool."

Ince is convinced that he is a better player for his two seasons in Italy and would have remained there, but for Liverpool's interest.

"Manchester United had first refusal," he said, "but I would have gone back to Inter Milan if Liverpool had fallen through."

Later's rivals, Milan, look to have succeeded in persuading Leonardo to leave Paris St-Germain. A spokesman for the

French side said the Brazilian midfielder had agreed personal terms, although the Italians had yet to table a formal bid.

A £3.25m fee for the player has been set by PSG, who are

expected to target another

Brazilian, Edmílson, currently with Portuguese champions

Porto, to replace Leonardo.

Celtic have made an approach to Southampton for Dutchman Ulrich Van Gobbel, Wim Jansen, the Celtic coach, has enquired about the 27-year-old defender who joined Saints last season for a club record fee of £1.3m from Turkish club Galatasaray.

Jansen worked with Van Gobbel for three years while they were both at Feyenoord and has spoken to the Saints

chairman, Rupert Lowe. "I can confirm we have had an enquiry from Celtic about Ulrich Van Gobbel and there are a couple of other clubs also interested in him," Lowe said.

Van Gobbel has been approached about the sentimental journey back to Bramall Lane where he first found fame before moving to Leeds for £2.7m three seasons ago. The managerless First Division club hope to tie up the deal quickly and Leeds are willing to take a reduced fee for the out-of-contract striker.

Deane can go abroad for nothing although he missed out on a move to the Dutch club Feyenoord by stalling on a contract worth £20,000 a week. United will not match these wages but are still confident Deane will join them as he now has a limited first-team future at Leeds.

Meanwhile the Blades will decide on a new manager soon with former Everton manager Roy Royle still a candidate to replace caretaker Nigel Spackman.

Sweden international Roland Nilsson is back in English football with Coventry after signing from part-timers Helsingborgs in a £200,000 deal. Nilsson, 33, formerly with Sheffield Wednesday, has signed a two-year contract. Nilsson, who joins compatriot Magnus Hedman at Highfield Road, is still a regular at international level and has won 86 caps for his country.

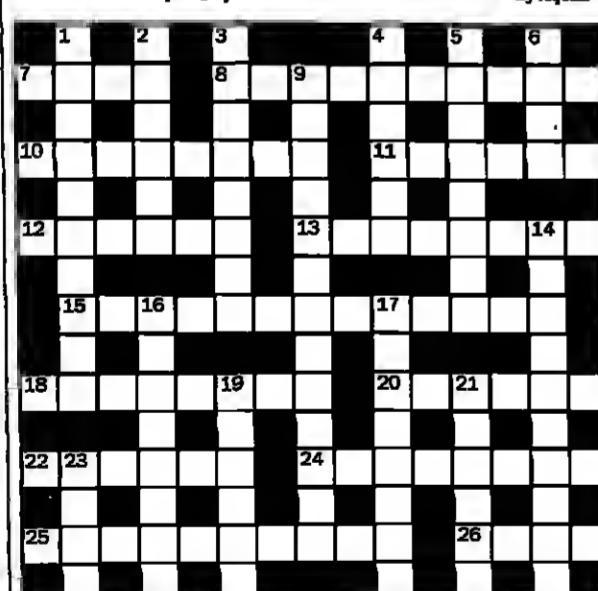
The Turkish First Division club Bursaspor have sacked their coach, Gordon Milne. Fans and officials were angered by pre-season defeats and a failed attempt by the former Coventry manager to take over at his former club Besiktas.

THE INDEPENDENT CROSSWORD

No. 3358, Wednesday 23 July

By Aquila

Tuesday's Solution



ACROSS	20	21	22	23	24	25
7 Money taken from the chapel funds (4)	20 O'Neill's coolant agent anticipated (6)	21 Prince Charlie was one, united in beginning (6)	22 To wit, horse is a beetle! (6)	23 Luther, for example, giving religious education to prior? (8)	24 P-princess, say, an aromatic oil-producer (10)	25 That is almost a bad time for Julius Caesar (4)
8 Principles proven in the house, by wounding barbs? (4-6)	13 Sweetener corrupted penniless old clergy (8)	14 Verse line from writer gentle with better half (10)	15 His grandsons may be heard in the tower (10)	16 Reserving bidding (8)	17 Met Reading painter in decline (8)	18 Timetable for rail, these days — washout? (8)
10 Sweetener corrupted penniless old clergy (8)	11 far on new road in Canberra, perhaps? (10)	12 Ca serving 75% sorbitol? (6)	13 Appearance of veins at surface need unpopular cuts (8)	14 Baronet supporting small house in island capital (6)	15 Insect, 1 wager, crawls about in caves (6)	16 These smokes produce carbon, damaging hooters (8)
11 far on new road in Canberra, perhaps? (10)	12 Ca serving 75% sorbitol? (6)	13 Appearance of veins at surface need unpopular cuts (8)	14 Baronet supporting small house in island capital (6)	15 Insect, 1 wager, crawls about in caves (6)	16 These smokes produce carbon, damaging hooters (8)	

DOWN	1	2	3	4	5	6
1 His grandsons may be heard in the tower (10)	2 Remnant of disappointing style (6)	3 These smokes produce carbon, damaging hooters (8)	4 Prince Charlie was one, united in beginning (6)	5 Car on credit for a dictator (8)	6 Fish daily (4)	7 Town memorably turning out pies (6,7)
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Alex Ferguson, the Manchester United manager, is looking to South America for a second time for the Chilean international centre-half, Dante Poli.

Ferguson has invited Poli, 21, to Old Trafford for talks this weekend and hopes to do a £2.4m deal with his club, the Santiago-based Universidad Católica.

Poli starred for Chile in the Copa America last month and although he is not yet a regular for his country, there is no work permit problem as he has an Italian passport.

Ferguson can watch Poli train

but will not be able to field him in any friendlies until he has agreed a price with Universidad and terms with the player. Poli has also been a target for Rangers, who have signed his friend and old team-mate Sebastian Rosenthal.

Ferguson has already agreed a £3.5m move for Brazilian defender Celio Silva of Corinthians and is awaiting a work permit.

Fifa, world football's governing body, said yesterday that Ronaldo, at the centre of a controversial transfer from Barcelona to Internazionale, is free of any contractual obligations to the Spanish club. Fifa authorised Italy's football federation to register the Brazil

striker provisionally with Inter. Ronaldo's move had been held up because the Spanish Football Federation refused to issue a transfer certificate. The Spanish argued that a buy-out, or withdrawal clause, in his contract was valid only for domestic transfers.

Internazionale are refusing to play ball with fresh demands from Barcelona for transfer money for Ronaldo, after Fifa's insistence yesterday that extra cash may be needed on top of the £18m the Italians thought had secured the Brazilian's release from the Spanish club.

Fifa players' status committee chairman, Gerhard Mayer-Vorfelder, said the original fee

Inter paid to buy out Ronaldo's contract did not constitute a transfer fee. He said if the two clubs cannot come to an agreement by Thursday, 31 July, then Fifa will impose a fee.

Ian Wright will not face disciplinary action from the Football Association over his alleged verbal attack on a disabled assistent referee.

Richard Saunders claims that the Arsenal and England striker taunted him over his disability during a Coca-Cola Cup tie against Norwich at Highbury. The incident happened nearly four years ago, but Saunders has decided to speak out now after passing the League's retirement age of 44.

The Turkish First Division club Bursaspor have sacked their coach, Gordon Milne. Fans and officials were angered by pre-season defeats and a failed attempt by the former Coventry manager to take over at his former club Besiktas.

What is certain is that the top six in the batting order will all carry on. "We will be looking for an all-round improvement in our game," Lloyd said. "I think we got what we deserved at Old Trafford, we didn't bowl or bat well."

If Smith plays it will also reduce the impact of the choice of wicket, since he is a swing bowler, it is atmospheric as opposed to terrestrial conditions which will dictate how well he does.

David Graveney, the chairman of selectors, explained the events that led to England's decision to reject the original first-choice pitch that was used

for the Texaco Trophy one day international in May.

"The pitches are prepared under the control of Harry Brund, the ECB [England Cricket Board] Inspector of Pitches. He liaises with the ground authorities leading up to a Test match. Given that weather conditions have not been normal, in Harry's opinion the grass had not grown back sufficiently and he felt that the reserve pitch which had been prepared was a better wicket and fitted the guidelines for first-class games: that is, a dry wicket with an even covering of grass."

Lloyd insisted that the England management have no real say in the choice of wicket. "They prepare it and we play on it," he said, clearly exasperated at all the furore the pitch switch has caused.

Cricket

DAVID LLEWELLYN

England emerged from a couple of days of archery, clay pigeon shooting, an hour-long lecture from a former MP and world 800 metre record holder, Seh Coe, and some general squad bonding and got down to cricket again. One of the first things they did was to change the 12 from that which was at Old Trafford to Headingly, said.

"I'm very pleased. It's important to have good memories of a ground and that is the case for me at Headingly. I had 10 wickets in a match here earlier this season. So I'll be happy here and even happier if it swings."

Smith also took four wickets against the Australians at Bristol, including the wicket of Mark Taylor off the fourth ball of the match. And even if Caddick plays England are still not 100 per cent happy about Dean Headley's fitness and the Kent man's ability to withstand the rigours of a five-day Test. Headley has been suffering from a side strain which he felt slightly in the third Test and then aggravated it in the Benson and Hedges Cup final 10 days ago. He bowled eight overs in the Sunday League at the weekend with no ill-effects but the England management are taking no chances.

"Dean put in a terrific session today," said the England coach, David Lloyd. "He bowled for half an hour for real in the nets without stopping, and a further 20 minutes out in the middle. We will look at the reaction he shows tomorrow, then he will do the same things all over again and we will then see what the reaction is on Thursday. At which point we will make our decision. But as of now Dean is fine."

What is certain is that the top six in the batting order will all carry on. "We will be looking for an all-round improvement in our game," Lloyd said. "I think we got what we deserved at Old Trafford, we didn't bowl or bat well."

If Smith plays it will also reduce the impact of the choice of wicket, since he is a swing bowler, it is atmospheric as opposed to terrestrial conditions which will dictate how well he does.

David Graveney, the chairman of selectors, explained the events that led to England's decision to reject the original first-choice pitch that was used